

**Solution**  
**BUSINESS SERVICES WS 1**  
**Class 11 - Business Studies**  
**Section A**

1.  
(c) Specialized banks  
**Explanation:** Specialized banks are banks that works mainly on financing economic and social activities.
2.  
(d) economic development  
**Explanation:** Commercial banks are considered not merely as dealers in money but also the leaders in economic development.
3.  
(d) 1995  
**Explanation:** Childeren' money back plans are designed to meet the future goals of a **child** like Higher education, marriage expenses.It was introduced in 1995 with the purpose of development of childeren.
4.  
(d) Indifference  
**Explanation:** Services are not indifference.
5.  
(d) 1985-86  
**Explanation:** Shri Vishwanath Pratap Singh, Minister of Finance introduced Crop Insurance in budget 1985-86.
6.  
(a) Social services  
**Explanation:** Social services are provided to the society by the government or organisations.
7.  
(d) Scheduled  
**Explanation:** A scheduled bank, in India, refers to a bank which is listed in the 2nd Schedule of the Reserve Bank of India Act, 1934.
8.  
(d) Money Back Policy  
**Explanation:** The money-back policy is covered under the life assurance policy.
9.  
(c) Reserve Bank of India  
**Explanation:** Reserve Bank of India is the central bank of India .
10.  
(b) Life Insurance  
**Explanation:** Life Insurance is not covered under general insurance.
11.  
(c) storage  
**Explanation:** A warehouse is a commercial building for storage of goods. Warehouses are used by manufacturers, importers, exporters, wholesalers, transport businesses, customs, etc.
12.  
(d) Freight insurance  
**Explanation:** Freight insurance offers protection against losses caused to the shipment during the transit.
13.  
(b) money  
**Explanation:** Banks have several ways of making money besides pocketing the difference (or spread) between the interest they pay on deposits and borrowed money and the interest they collect from borrowers or securities they hold.
14.  
(b) Lending of funds

**Explanation:** The function of insurance is protection, providing certainty, risk sharing, assist in capital formation.

15. (b) fixed deposit  
**Explanation:** A fixed deposit (FD) is a financial instrument provided by banks which provides investors with a higher rate of interest than a regular savings account, until the given maturity date.
16. (d) Personal services  
**Explanation:** Personal services start with the primary purpose of providing a personal service.
17. (c) Co-operative Banks  
**Explanation:** Co-operative Banks provide credit facilities to rural people.
18. (a) NEFT, RTGS  
**Explanation:** NEFT, RTGS enables electronic fund transfer.
19. (c) Central bank  
**Explanation:** The central bank occupies a central position in the monetary and banking system of the country and has a superior financial authority.
20. (b) co-operation  
**Explanation:** The main motive of insurance is cooperation. Insurance is defined as the equitable transfer of risk of loss from one entity to another, in exchange for a premium.
21. (a) United Kingdom  
**Explanation:** A compulsory car insurance scheme was first introduced in the United Kingdom with the Road Traffic Act 1930.
22. (c) Cash Credits  
**Explanation:** Cash credit is a short-term source of finance. Under cash credit, the bank offers its customer to take a loan up to a certain limit.
23. (d) stale cheque  
**Explanation:** A stale check is a check that is presented to be cashed or deposited at a bank six months or more after the date it was written.
24. (a) Floating  
**Explanation:** Floating Policy is a policy which covers loss by fire caused to property belonging to the same person but located at different places under a single sum and for one premium.
25. (d) 1938  
**Explanation:** The Insurance Act, 1938 is a law originally passed in 1938 in British India to regulate the Insurance sector.
26. (a) All of these  
**Explanation:** All the insurance must deal in good faith.
27. (c) Business services  
**Explanation:** Business services are referred to all activities that assist business such as shipping, finance etc.
28. (d) Jewellery and Valuables  
**Explanation:** Burglary insurance is a policy that covers losses resulting from burglary and Jewellery and other valuable items like cash, etc are subject to burglary and hence are covered under Burglary Insurance.
29. (d) Life Insurance  
**Explanation:** The principle of indemnity does not apply in Life Insurance.

30. (c) Liability Insurance  
**Explanation:** liability insurance is only responsible for the other party's losses. Your person and your property are unprotected, but the insurance protects you from being held responsible for the other party's damages.
31. (d) life insurance  
**Explanation:** Life insurance provides financial support to the beneficiary after the death of the policy-holder.
32. (b) Indemnity contract  
**Explanation:** The life insurance contract is not a contract of indemnity. The life of a human being cannot be compensated and only a specified sum of money is paid. That is why the amount payable in life insurance on the happening of the event is fixed in advance.
33. (b) Principle of Mutual Interest  
**Explanation:** Principle of mutual interest is not the principle of insurance.
34. (a) 1 year  
**Explanation:** Fire insurance policies are issued for 1 year.
35. (c) Mitigation  
**Explanation:** According to the principle of Mitigation, reasonable action must be taken by the insured to minimize the loss.
36. (c) More than one Year  
**Explanation:** The minimum period for Term policy is 1 Year and more. The death benefit of the policy is paid only if the insured dies during that period. If the insured lives beyond the term period, no death benefit is paid. Typically, there are no cash values or loan values for term life insurance.
37. (d) Principle of Indemnity  
**Explanation:** Principle of Indemnity
38. (d) Specified policy  
**Explanation:** Specified policy
39. (d) Subrogation  
**Explanation:** Principle of Subrogation applies in this situation.
40. (a) Principle of Contribution  
**Explanation:** Principle of Contribution

#### Section B

41. (c) Multiple Option Deposit Account  
**Explanation:** Ruksar's friend advised her to open a Multiple Option Deposit Account(MODA) in the bank as it has characteristics of both Savings and Fixed Deposit account. It is a type of saving Bank A/c in which deposit in excess of a particular limit get automatically transferred into fixed Deposit.
42. (c) Current account deposits  
**Explanation:** Bank gives many facilities to current account holder, one such facility is overdraft facility. Bank overdraft means deficit in a bank account caused by drawing more money than what the account holds. **This facility is given on current accounts only.**
43. (b) Multiple option deposit account  
**Explanation:** Multiple option deposit account is a type of saving bank account in which excess of a particular limit gets automatically transferred to fixed deposit account.
44. (b) E-banking  
**Explanation:** E-banking is the banking services provided through internet.

45. (a) higher  
**Explanation:** Fixed Account Deposits gets higher interest as compared to the Savings account Deposits.

### Section C

46. (c) Double Insurance  
**Explanation:** Double Insurance
47. (b) Nil  
**Explanation:** Nil
48. (a) Mitigation  
**Explanation:** Mitigation
49. (a) Utmost Good Faith  
**Explanation:** Utmost Good Faith
50. (c) Principle of Indemnity  
**Explanation:** Principle of Indemnity
51. (b) ₹40,000; ₹80,000  
**Explanation:** ₹40,000; ₹80,000
52. (c) E-Banking  
**Explanation:** E-Banking
53. (b) RTGS  
**Explanation:** RTGS
54. (b) NEFT  
**Explanation:** NEFT
55. (c) half-hourly batches  
**Explanation:** half-hourly batches
56. (d) Real-Time Gross Settlement  
**Explanation:** Real-Time Gross Settlement
57. (d) Faster Service  
**Explanation:** Faster Service
58. (a) Smart Card  
**Explanation:** Smart Card
59. (c) Debit Card  
**Explanation:** Debit Card
60. (d) Credit Card  
**Explanation:** Credit Card
61. (b) Metro Card  
**Explanation:** Metro Card
62. (d) Security  
**Explanation:** Security
63. (d) Convenience  
**Explanation:** Convenience
64. (a) Current Account  
**Explanation:** Current Account
65. (a) Savings Account  
**Explanation:** Savings Account
66. (d) Recurring Deposit Account  
**Explanation:** Recurring Deposit Account
67. (d) Fixed Deposit Account  
**Explanation:** Fixed Deposit Account

68. **(c)** Kavita  
**Explanation:** Kavita
69. **(a)** Suresh  
**Explanation:** Suresh
70. **(b)** 1 Lakh  
**Explanation:** 1 Lakh
71. **(d)** Nil  
**Explanation:** Nil
72. **(a)** Mitigation  
**Explanation:** Mitigation
73. **(b)** Nil  
**Explanation:** Nil
74. **(a)** Utmost Good Faith  
**Explanation:** Utmost Good Faith
75. **(d)** Subrogation  
**Explanation:** Subrogation