

BUSINESS STUDIES

Textbook for Class XI



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NCERT

राष्ट्रीय शैक्षिक अनुसंधान और प्रशिक्षण परिषद्
NATIONAL COUNCIL OF EDUCATIONAL RESEARCH AND TRAINING

ISBN 81-7450-530-X

First Edition

March 2006 Phalgun 1927

Reprinted

October 2006 Kartika 1928

December 2007 Agrahayana 1929

March 2009 Phalgun 1930

January 2010 Magha 1931

January 2011 Magha 1932

January 2012 Magha 1933

March 2013 Phalgun 1934

November 2013 Kartika 1935

December 2014 Pausa 1936

April 2016 Vaishakha 1938

March 2017 Phalgun 1938

January 2018 Magha 1939

March 2019 Phalgun 1940

October 2019 Ashwina 1941

January 2021 Pausa 1942

PD NTR T RSP

**© National Council of Educational
Research and Training, 2006**

₹00

*Printed on 80 GSM paper with NCERT
watermark*

Published at the Publication Division
by the Secretary, National Council
of Educational Research and Training,
Sri Aurobindo Marg, New Delhi 110
016 and printed at

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**OFFICES OF THE PUBLICATION
DIVISION, NCERT**

NCERT Campus
Sri Aurobindo Marg
New Delhi 110 016

Phone : 011-26562708

108, 100 Feet Road
Hosdakere Halli Extension
Banashankari III Stage
Bengaluru 560 085

Phone : 080-26725740

Navjivan Trust Building
P.O. Navjivan
Ahmedabad 380 014

Phone : 079-27541446

CWC Campus
Opp. Dhankal Bus Stop
Panihati
Kolkata 700 114

Phone : 033-25530454

CWC Complex
Mailgaon
Guwahati 781 021
0361-2674869

Phone :

Publication Team

Head, Publication Division : *Anup Kumar Rajput*

Chief Editor : *Shveta Uppal*

Chief Production Officer : *Arun Chitkara*

Chief Business Manager (In charge) : *Vipin Dewan*

Editor : *R.N. Bharadwaj*

Production Assistant :

Cover

Karan Chadha

FOREWORD

The National Curriculum Framework (NCF), 2005, recommends that children's life at school must be linked to their life outside the school. This principle marks a departure from the legacy of bookish learning which continues to shape our system and causes a gap between the school, home and community. The syllabi and textbooks developed on the basis of NCF signify an attempt to implement this basic idea. They also attempt to discourage rote learning and the maintenance of sharp boundaries between different subject areas. We hope these measures will take us significantly further in the direction of a child-centred system of education outlined in the National Policy of Education (1986).

The success of this effort depends on the steps that school principals and teachers will take to encourage children to reflect on their own learning and to pursue imaginative activities and questions. We must recognise that, given space, time and freedom, children generate new knowledge by engaging with the information passed on to them by adults. Treating the prescribed textbook as the sole basis of examination is one of the key reasons why other resources and sites of learning are ignored. Inculcating creativity and initiative is possible if we perceive and treat children as participants in learning, not as receivers of a fixed body of knowledge.

These aims imply considerable change in school routines and mode of functioning. Flexibility in the daily time-table is as necessary as rigour in implementing the annual calendar so that the required number of teaching days are actually devoted to teaching. The methods used for teaching and evaluation will also determine how effective this book proves in making children's life at school a happy experience, rather than a source of stress or boredom. Syllabus designers have tried to address the problem of curricular burden by restructuring and reorienting knowledge at different stages with greater consideration for child psychology and the time available for teaching. The textbook attempts to enhance this endeavour by giving higher priority and space to opportunities for contemplation and wondering, discussion in small groups, and activities requiring hands-on experience.

The National Council of Educational Research and Training (NCERT) appreciates the hardwork done by the textbook development committee responsible for this book. We wish to thank the *Chairperson* of the advisory group in Social Sciences, Professor Hari Vasudevan and the *Chief Advisor* for this book, Professor Sanjay K. Jain, for guiding the work of this committee.

Several teachers contributed to the development of this textbook; we are grateful to their principals for making this possible. We are indebted to the institutions and organisations which have generously permitted us to draw upon their resources, materials and personnel. We are especially grateful to the members of the National Monitoring Committee, appointed by the Department of Secondary and Higher Education, Ministry of Human Resource Development under the Chairpersonship of Professor Mrinal Miri and Professor G.P. Deshpande for their valuable time and contribution. As an organisation committed to systemic reform and continuous improvement in the quality of its products, NCERT welcomes comments and suggestions which will enable us to undertake further revision and refinements.

New Delhi
20 December 2005

Director
National Council of Educational
Research and Training

TEXTBOOK DEVELOPMENT COMMITTEE

CHAIRPERSON, ADVISORY COMMITTEE FOR SOCIAL SCIENCE TEXTBOOKS AT THE HIGHER SECONDARY LEVEL

Hari Vasudevan, *Professor*, Department of History, University of Calcutta,
Kolkata

CHIEF ADVISOR

Sanjay K. Jain, *Professor*, Delhi School of Economics, University of Delhi,
Delhi

MEMBERS

Anand Saxena, *Reader*, Deen Dayal Upadhyaya College, University of Delhi,
Delhi

Davinder K. Vaid, *Professor*, DESSH, NCERT, New Delhi

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G.L. Tayal, *Reader*, Ramjas College, University of Delhi, Delhi

J.K. Parida, *Professor*, Department of Commerce, Utkal University,
Bhubaneswar, Odisha

K.V. Achalapati, *Professor and Head*, Department of Commerce, Osmania
University, Hyderabad

M.M. Goyal, *Reader*, PGDAV College, University of Delhi, Delhi

M. Usha, *Associate Professor*, University College of Commerce and Business
Management, Osmania University, Hyderabad

Pooja Dasani, *PGT*, Convent of Jesus and Mary School, Gol Dakkhana,
New Delhi

Shailendra Nigam, NIILM Centre for Management Studies, Sher Shah Suri
Marg, New Delhi

MEMBER-COORDINATOR

Minoo Nandrajog, *Reader*, DESSH, NCERT, New Delhi

THE CONSTITUTION OF INDIA

PREAMBLE

WE, THE PEOPLE OF INDIA, having solemnly resolved to constitute India into a ¹**[SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC]** and to secure to all its citizens :

JUSTICE, social, economic and political;

LIBERTY of thought, expression, belief, faith and worship;

EQUALITY of status and of opportunity and to promote among them all;

FRATERNITY assuring the dignity of the individual and the ²[unity and integrity of the Nation];

IN OUR CONSTITUENT ASSEMBLY this twenty-sixth day of November, 1949 do **HEREBY ADOPT, ENACT AND GIVE TO OURSELVES THIS CONSTITUTION.**

1. Subs. by the Constitution (Forty-second Amendment) Act, 1976, Sec.2, for "Sovereign Democratic Republic" (w.e.f. 3.1.1977)
2. Subs. by the Constitution (Forty-second Amendment) Act, 1976, Sec.2, for "Unity of the Nation" (w.e.f. 3.1.1977)

ACKNOWLEDGEMENTS

The National Council of Educational Research and Training acknowledges the valuable contributions of the Textbook Development Committee which took considerable pains in the development and review of manuscript as well.

Thanks are due to Savita Sinha Professor and Head, Department of Education in Social Science for her guidance and constant support at every stage of the textbook development process. The textbook has been reworked and updated at appropriate point of time in the context of recent development in business scenario, and the Companies Act 2013. The contribution of practicing teachers of Business Studies is also duly acknowledged for developing e-resources for QR codes.

The contribution of APC Office, Administration, Publication Division, and Secretariat of NCERT are also duly acknowledged for bringing out the updated textbook of Business Studies.

NOTE TO THE TEACHER

As you read through this textbook you will develop an understanding of the environment in which a business operates. The textbook discusses emerging modes of business in the context of entrepreneurship development, ethics in business and corporate social responsibility, small scale industries, intellectual property rights, goods and services tax and many other contemporary issues in the conduct of internal and internal business scenarios. Due emphasis is laid on entrepreneurship and innovation in unorganised sector along with content from corporate world. This will enable the learners observant of their immediate surroundings and business environment.

You will find additional reading material, interactive activities, stories of innovation and entrepreneurship, etc., as enrichment material for self learning. You will find newer e-resources under embedded QR codes (accessed via *e-pathshala app*) at various intervals.

The textbook is updated in the light of The Companies Act 2013, and the content is modified in accordance to new provisions of the Act 2013 in respective chapters.

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CONSTITUTION OF INDIA

Part III (Articles 12 – 35)

(Subject to certain conditions, some exceptions
and reasonable restrictions)

guarantees these

Fundamental Rights

Right to Equality

- before law and equal protection of laws;
- irrespective of religion, race, caste, sex or place of birth;
- of opportunity in public employment;
- by abolition of untouchability and titles.

Right to Freedom

- of expression, assembly, association, movement, residence and profession;
- of certain protections in respect of conviction for offences;
- of protection of life and personal liberty;
- of free and compulsory education for children between the age of six and fourteen years;
- of protection against arrest and detention in certain cases.

Right against Exploitation

- for prohibition of traffic in human beings and forced labour;
- for prohibition of employment of children in hazardous jobs.

Right to Freedom of Religion

- freedom of conscience and free profession, practice and propagation of religion;
- freedom to manage religious affairs;
- freedom as to payment of taxes for promotion of any particular religion;
- freedom as to attendance at religious instruction or religious worship in educational institutions wholly maintained by the State.

Cultural and Educational Rights

- for protection of interests of minorities to conserve their language, script and culture;
- for minorities to establish and administer educational institutions of their choice.

Right to Constitutional Remedies

- by issuance of directions or orders or writs by the Supreme Court and High Courts for enforcement of these Fundamental Rights.