

BUSINESS STUDIES

Textbook for Class XI



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विद्यया ऽ मृतमश्नुते



एन सी ई आर टी
NCERT

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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

RATIONALISATION OF CONTENT IN THE TEXTBOOKS

In view of the COVID-19 pandemic, it is imperative to reduce content load on students. The National Education Policy 2020, also emphasises reducing the content load and providing opportunities for experiential learning with creative mindset. In this background, the NCERT has undertaken the exercise to rationalise the textbooks across all classes. Learning Outcomes already developed by the NCERT across classes have been taken into consideration in this exercise.

Contents of the textbooks have been rationalised in view of the following:

- Overlapping with similar content included in other subject areas in the same class
- Similar content included in the lower or higher class in the same subject
- Difficulty level
- Content, which is easily accessible to students without much interventions from teachers and can be learned by children through self-learning or peer-learning
- Content, which is irrelevant in the present context

This present edition, is a reformatted version after carrying out the changes given above.

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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. The efforts of the review committee members towards the rationalisation of the contents of this textbook are duly acknowledged. They are Savita Shangai, *PGT (Retd.)* Saket, New Delhi; Seema Srivastava, *Assistant Professor*, DIET, R.K.Puram; Sandeep Singh Grewal, *CA and Pracademic*; Sunder Singh Sehrawat, *DC (Retd.)*, KVS; Shipra Vaidya, *Assistant Professor*, DESS NCERT, New Delhi.

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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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)