

M.M – 80 marks Class – XII Subject: Business Studies Time: 3 H₹.

(01-20) 01 Mark, (21-24) 03 Marks, (25-30) 04 Marks & (31-34) 06 Marks each.

General instructions:

- 1. 1 This question paper contains 34 questions.
- 2. Answer should be brief and to the point.
- 3. Answers to the questions carrying 3 marks may be from 50 to 75 worlds.
- 4. Answers to the questions carrying 4 marks may be about 150 worlds.
- 5. Answers to the questions carrying 6 marks may be about 200 worlds.
- 6. Attempt all parts of the questions together.
- 1. Government is actively advertising for "Jago Grahak Jago" which consumer right is highlighted in the given statement.



- (a) Right to be heard
- (c) Right to seek redressal

(b) Right to consumer education

D

- (d) Right to be informed
- 2 Identify the following mark indicating quality of the type of products for protection of consumers.



A ISI mark

B) FPO

 \mathbf{C}

Eco-mark

Agmark

3 Statement I: For products requiring long term storage like agricultural products, the warehouses are located near to the market.

Statement II: Higher the level of inventory, higher will be the level of service to customers but the cost of carrying the inventory will also be high.

- (a) Statement I is true and II is false
- (b) Statement II is true and I is false

(c) Both the statements are true

(d) Both the statements are false

4 Match the following tools of promotion with their explanation and choose the correct option

A. It is undertaken by some identified person /company who makes efforts and	1. Personal selling
bears the cost of it.	
B . It plays an important role at the awareness stage and develops product	2. Sales Promotion
preferences with the aim of making sale.	
C. It helps in managing public opinion and company"s relation with the public	3. Advertising
on regular basis.	

D . It uses tools s	pecifically designed to promote to custom	ners, middlemen an	d to	4. Public Relations
salespersons.				
(a)	A (3), B (1), C (4), D (2)	(b) A	(1), E	3 (3), C (4), D (2)
(c)	A (2), B (3), C (4), D(1)	(d) A	(2), E	3 (4), C (1), D (3)

5 Match the following

(i) FICCI	(a) Government
(ii) VOICE	(b) Business Association
(iii) State Forum	(c) Consumer Organisation

(a)	(b)	(c)	(d)
(i) – (a)	(i) – (c)	(i) – (a)	(i) - (b)
(ii) – (b)	(ii) – (b)	(ii) – (c)	(ii) – (c)
(iii) – (c)	(iii) – (a)	(iii) – (b)	(iii) – (a)

- 6 Clearing and settlement operations of NSE is carried out by-----
- 7 The Board of directors of Medex Pharma Ltd. decided to issue debentures worth ₹ 40 lakhs in order to finance a major Research and Development project. This would increase the Debt Equity ratio from 1 : 1 to 2 : 1. However, at the same time it would increase the Earnings per share. The reason that will justify the above situation is:
 - (a) Unfavourable financial leverage, as the financial risk will be higher.
 - (b) Unfavourable financial leverage, as return on investment is lower than the cost of debt.
 - (c) Favourable financial leverage as debt is easily available
 - (d) Favourable financial leverage, as return on investment is higher than cost of debt
- 8 Which of the following statements is incorrect?
 - (a) Providing liquidity to securities is one of the functions of stock exchange
 - (b) Process of holding shares in electronic form is known as Dematerialization
 - (c) Securities Exchange Board of India performs the regulatory function of controlling insider trading and imposing penalties for such practices.
 - (d) Capital market consists of Commercial banks, Development banks and stock exchanges
- 9 Raj Private Limited wants to establish a new unit in which a machinery worth ₹ 16.5 lakh is involved. Which type of decision is involved here?
 - (a) Investment decision
- (b) Financing decision

(T/F)

- (c) Dividend decision
- (d) Both (b) and (c)
- 10 T+3 basis, settlement period is followed in Indian stock exchanges.
- 11 Match the following

	Ca	nuses of deviation	Corrective action	
	1)	Defective Material	a) Technological upgrada	tion
	2)	Defective Machinery	b) Quality specification cl	nanges
	3)	Obsolete Machinery	c) Improve surrounding	
	4)	Defective conditions of work	d) Repair or replace	
(2	a)	(b)	(c)	(d)
i)	d	i) b	i) b	i) d
ii)	a (ii) a	ii) d	ii) b

iii)	iii) d	iii) a	iii) a
iv) c	iv) c	iv) c	iv) c

12

1) Motivation	a) Overseeing juniors
2) Supervision	b) Sharing ideas
3) Communication	c) Stimulating People
4) Leadership	d) Influencing the followers

(a)	(b)	(c)	(d)
i) c	i) a	i) d	i) b
ii) a	ii) b	ii) c	ii) d
iii) b	iii) c	iii) b	iii) c
iv) d	iv) d	iv) a	iv) a

13	Which of th	ne follow	ing is	incorrect	about assum	notion	of Maslow'	's theory?

- (a) A person moves to the next higher level of the hierarchy only when the lower need is satisfied.
- (b) A satisfied need can no longer motivate a person, only the next higher level need can motivate him.
- (c) Satisfaction of such needs influences their behaviour.
- (d) People"s behaviour is not based on their needs.

	For delegation to be effective, it is essential that re (a) incentives (b) promotions	(c) authori	•
15 I	n addition to budget which of the following is inc	luded in single us	e plan.
	(a) Policy (b) Rule (c)	c) Programmes	(d) Procedure.
	his/her discretion to interpret and apply them.		
17.0			
17 S	Span of management refers to.		
17 S	Span of management refers to. (a) No. of subordinates at lower level	` '	al no. of managers.
17 S	Span of management refers to.	` '	al no. of managers. of levels in the organisation.
17 S	Span of management refers to. (a) No. of subordinates at lower level	(d) no.	of levels in the organisation.
	Span of management refers to. (a) No. of subordinates at lower level (c) no. of subordinates under a superior.	(d) no	of levels in the organisation. e. She observed that receptionist was

for everything and it was present there. There was no hindrance in the work of the dentist and she

Order

(d)

Initiative

was working with her maximum efficiency. The principle of management followed was

(c)

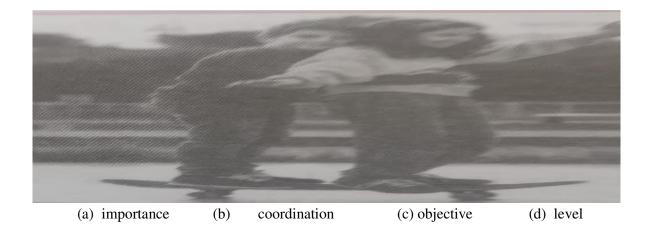
Discipline

19 The given picture is related to which concept of management

(b)

(a)

Equity



In order to set up standard target of performance for workers, it was necessary for Shiv Ltd. to fix standard time for workers to perform a particular job. For this Mr. Ganesh, the Production Manager of the company observed the workers when they were performing the job. He used a stop watch in hand and noted down the average time taken by workers for completion of the job. He repeated the same observation for 100 times and then calculated average time for the performance of the job. This was fixed as the standard time on the basis of which efficient and inefficient workers were distinguished

Identify technique of scientific management followed by Mr. Ganesh

(a) Time Study

(b) Method Study

(c) Motion Study

(d) Fatigue Study

21 Nikita and Salman completed their MBA and started working in a multinational company at the same level. Both are working hard and are happy with their employer. Salman had the habit of backbiting any wrong reporting about his colleagues to impress his boss. All the employees in the organization knew about it. At the time of performance appraisal, the performance of Nikita was judged better than Salman. Even then, their boss, Mohammad Sharif decided to promote Salman stating that being a female, Nikita will not be able to handle the complications of higher post.

Identify and explain the principle of management that was overlooked by this multinational company.

Or

Dheerj is working as "Operations Manager" in Tifco Ltd. Name the managerial level at which he is working. State other 2 functions he will perform as "Operations Manager" in this company.

- AirIndia is a large airline company. It is already listed on the National Stock Exchange. It has grown very quickly over the past 15 yea₹. But recently due to operational inefficiencies and lockdown in different countries, it is finding difficult to remain profitable, due to which it had to make 150 employees redundant. The other employees are feeling demotivated because of the recent occurring. In order to motivate the employees, the company is considering to give different incentives. In order to improve efficiencies, AirIndia wants to make more use of the concept of management which involves the downward transfer of authority from a superior to a subordinate throughout all the levels of the organisation.
 - (a) Identify the concept of management. (b) Explain the type of organisational structure of AirIndia. Differentiatebetween rule and policy

Or

23

Differentiatebetween method and procedure

M₹. AhilyaPasi is the Principal of a prestigious school in New Delhi. The school has a vacancy of a headmistress/headmaster of the junior wing of the school. The senior teachers of the school have the opinion that only internal candidates should be considered for this post. However, M₹. Pasi and the

management would like to invite applications from external sources too. Briefly explain any three justifications the management can provide to convince the staff for inviting applications of external candidates for the vacant post.

- 25 a) Name the technique of Taylor which is one of the strongest motivator for a worker to reach standard performance.
 - b) Explain the technique of scientific management that is extension of "Principle of Division of work" and specialisation?

OR

Differentiate between

A Unity of command and Unity of direction

B Time study and Motion Study

In Chak De movie, Shahrukh Khan becomes the coach of the girl"s hockey team. He knows that he has to prepare the girls for the international hockey matches and win the cup. For this he prepares a long term plan and thinks of ways of how to beat the opponent team. He coaches the girls to play in different ways like defensive, offensive, etc. At the outset of the match, he explains who will open the match, and how the ball will be passed by one player to another step by step. Identify all types of plans mmentioned above. State them along with lines which refer to them in the above paragraph.

Or

Jojo and Jojo is a company known for its consumer business of baby oil and bandages, but many people do not know that the company also runs a medical device and diagnostics business, as well as a pharmaceutical company. With more than 1,80,000 employees worldwide the company has chosen to share decision making authority with lower levels and place it nearest to the point of action. Therefore the response does not take time. This propagates the belief that people are competent, capable and resourceful who can get a chance to prove their abilities and enables the company in identifying those executives who have the necessary potential to become dynamic leaders, so that the checking required on decisions taken by lower levels of management is the least. This makes it possible to evaluate performance at each level and each department can be individually held accountable for their results. By quoting the lines given above identify and briefly explain the benefits of the concept discussed above

- 27 Identify and state the various elements of communication highlighted in the following cases:
 - (i) Department "A" has sent an encoded message to department "B" through internet. What is the role of internet here?
 - (ii) Madhur is making gestures so that he can send a message to Ranbhir. What is Madhur doing here?
 - (iii) Ranbhir is trying to understand the message sent by Madhur by reading his gestures. What is Ranbhir doing here?
 - (iv) Kamesh picks up his phone and finds a message on it. He reads the message carefully. What is the role of Kamesh here?
- 28 Under this method employee learn by doing. Employees are trained while they are performing the job and senior worker or mentor provides them technical knowledge. But the biggest disadvantage of this method is wastage of material and accidents.
 - (a) Identify the method of training stated in above lines.
 - (b) Explain any two techniques used in above said method of training.
- 29 Krish limited is in the business of manufacturing and exporting carpets and other home décor products. It has a share capital of ₹ 70 lacs at the face value of ₹ 100 each. Company is considering a

major expansion of its production facilities and wants to raise ₹ 50 lacs. The finance manager of the company Mr. Prabhakar has recommended that the company can raise funds of the same amount by issuing 7% debentures. Given that earning per share of the company after expansion is ₹ 35 and tax rate is 30%. Did Mr. Prabhakar give a justified recommendation? Show the working

- 30 Identify the Marketing Management philosophy adopted in the following cases:
 - a. Mansi, a shoe manufacturer for school students, decided to maximize her profit by producing and distributing at large scale and thereby reducing the average cost of production.
 - b. Nisha, a school bag manufacturer decided to improve the product for profit maximization and thus added a water bottle holder to the existing design.
 - c. Jasdeep, a dealer in school uniforms, decided to maximize his profit by using different aggressive promotional efforts.
 - d. Amar is engaged in manufacturing of refrigerators. He surveyed the market and found that customers need a refrigerator with a separate provision of water cooler in it. He decided to incorporate the same.
- Bharat is running an ice cream parlour in a local market. Keeping in mind the changing perceptions about health among the people, one of his employee Abhiraj suggests to him that they should introduce a range a flavoured yogurt. Bharat accepts his suggestion as a result both the image and the profitability of his business increases. In the context of the above case: A Identify the feature of management which is being highlighted.
 - B State the related dimension of the business environment.
 - C Name and explain the related principle of general management

Or

Mr. Ajay after completing MBA from USA comes to India to start a new business under the banner Ecom Creations Ltd. He launches a new product in a e-learning for senior Secondary School students in Commerce stream, which already has established market in UK and USA but not in India. His business starts flourishing in India. Now more Indian companies entered into the market with other subjects also. Identify and quote the lines from above para which highlight the significance of understanding business environment.

- Y Ltd. Is a bank functioning in India. It is planning to diversify into insurance business. Lately, the government of India has allowed the private sector to gain entry in the insurance business. Previously, it was the prerogative of LIC and GIC to do insurance business. But now with liberalization of the economy and to make the field competitive other companies have been given licences to start insurance business under the regulation of "Insurance Regulatory And Development Authority". Y Ltd. Plans to recruit high quality employees and agents and exercise effective direction to capture a substantial part of life and non-life insurance business.
 - A Identify how the company can supervise its employees and agents effectively.
 - B What financial and non-financial incentives can the company use for employees and agents separately to motivate them?
 - C How can the company ensure that higher order needs i.e., esteem and self actualization as specified by Maslow are met?
 - D How can the company follow formal communication system
 - E How can informal communication help to supplement formal communication?
- Ranbaxy Ltd. in its research cell is discovering few vaccinations. The company issued 50,000 equity shares of ₹.100 each on 31st mar. 2016. Applications were received and all the shares were allotted. Entire amount was received during application itself.

On the same date company issued 5000, 12% debentures of ₹ 1000 each at a premium of 10% and redeemable at a premium of 5% after 1 year. For free trade of these securities the company had gone for listing its securities through a stock exchange and issued prospectus

During the year 2016-17, the company 's EBIT IS ₹ 25 lac.

Corporate tax is 25%

The BOD decided to appropriate profit as follows

- 20% PAT to be retained as reserve
- 20% PAT to be given as dividend
- Rest o be used for growth & expansion.
- A What is capital structure?
- B Can company go for trading on equity?
- C Identify various financial decision by quoting lines.

Read the statements given in point 1 and 2, answer the questions that follow:

- (1) Tea is produced in Assam but is carried to customers not only in this state but also in other parts of the country.
- (a) Identify and explain the function of marketing that enables the marketer to achieve its goals.
- (b) Enumerate any two facto₹ that marketer should take into consideration in order to analyse the identified needs.
- (2) Paddy is grown during summer season but its demand and sale takes place throughout the year.
- (a) Name and state the function of marketing which should be undertaken to reduce the gap between production and consumption of Paddy.
- (b) State by giving two reasons as to why proper discharge of this function is important.

Or

Choco Ltd. offers a wide variety of chocolate products. It has an action program of not selling its products by their generic name but under different names like Choco-silk bar, Choco-Munchy and Choco-crunchy etc. for different customer segments. All these names have great popularity and acceptability in the markets. As per the company's policy the products were offered at reasonable and affordable prices for targeting a mass customer base. During the festive season the company launched a massive promotional campaign to increase its revenue and achieve its communication objectives. The company introduced free gifts for the customers. Their on-ground sales team delivers the product not only to the departmental stores but also to small shops, so that all segments of customers can easily get the products. They also provide information and support services to customers to ensure repeat sales. From the viewpoint of the management function, briefly explain any four activities of marketing which the firm will be involved in, apart from the above-mentioned ones that it's already performing.
