



ST. XAVIER'S SENIOR SECONDARY SCHOOL, DELHI - 110054  
Pre-Board Examination 2018 in **BUSINESS STUDIES**

**Set 2**

**Std. 12**  
**11-01-2018**

**Max. Marks : 80**  
**Time : 3 hrs.**

General Instructions

1. All questions are compulsory.
  2. Marks are allotted against every question.
  3. Attempt all parts of the question together.
  4. Neatness is a must.
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1. "An effort to control everything may end up in controlling nothing." Identify the concept highlighted here. 1 mark
  2. WWW.aroundtheworld.com was a tourist portal offering package schemes to potential customers. Navya was offered scheme of staying in a hotel for 6 days and 5 nights. However when she reached the destination she was told that every room was booked. She even showed the confirmation she received on her mail. Which consumer right has been violated in this case? 1 mark
  3. Name and draw the best distribution channel level to be adopted that enables a manufacturer to cover wide area of market while retaining control over the channels. 1 mark
  4. State the objective of introducing Gang Plank in the principle of Scalar Chain. 1 mark
  5. Mrs. Jain purchased some households from a general store. After reaching home she found a skin moisturiser for which she had not been billed for. But after checking the date of expiry and other details she started using it. After using it she suffered from skin infection. Where should she file a complaint? 1 mark
  6. While deciding about capital structure, risk consideration is crucial. Further, the total risk depends on Business risk and financial risk. Give an example of each type. 1 mark
  7. Name any two elements of Political environment of our country. 1 mark
  8. Give a situation in which a person will not be termed as a "consumer of goods" under Consumer Protection Act. 1 mark
  9. Explain the type of training that is suitable to train the employees to handle highly sophisticated machinery and equipments. 3 marks
  10. Define Money market and discuss its features. 3 marks
  11. Identify and explain the importance of that function of management which initiates the action in an organization. 3 marks
  12. Differentiate between Functional and Divisional Structure on the basis of
    - a) cost
    - b) coordination
    - c) managerial development.3 marks
  13. A construction company got a contract for constructing a foot over bridge. It appointed an engineer to take charge of the same. The engineer was instructed that the work should be completed within a period of two months with the maximum cost of Rs. 5,00,000. Any negative variation in the cost beyond 5% should be brought to the notice of authorities

immediately. He was also asked to keep a special check on the supply of construction material as if it is not supplied in time then, the entire project would be delayed. Which concept is being referred to? Discuss.

3 marks

Page 2

**BUSINESS STUDIES (Set - 2)**

**Std. 12**

14. Komal bought a car worth Rs.5,00,000. After driving it, she found that the A.C. of the car stopped functioning. She approached the dealer who refused to look into the matter.
- Suggest her suitable authority where she can file a complaint under the Consumer Protection Act,1986.
  - What procedure will be followed by the concerned authority to redress her grievance?
- 4 marks
15. The Plant Superintendent of Girish Mills was due to retire by the end of the year. In spite of the availability of experienced supervisors who can be performed to handle this responsibility, still the Human Resource Manager gave an advertisement in the 'Situation Vacant' column of the newspaper.
- Which source of recruitment was followed by the Human Resource Manager? State any one benefit of this source.
  - What values have been ignored by him while deciding the source of recruitment?
- 4 marks
16. Harshit wanted to invest his surplus funds into some profitable opportunities. He was advised by his friend to buy the shares of some reputed companies. He did not know the formalities to be fulfilled for the same, so his friend acquainted him with a famous broker. The Broker asked him to fill a client registration form and to open a Demat account.
- What is meant by Demat Account and what is its purpose?
  - List out the other steps that will be followed for the purpose of buying of shares through the stock exchange.
- 4 marks
17. The companies in the field of network marketing generally rely heavily on developing relation with the prospective consumers by conducting events, workshops and seminars thereby spreading the awareness about its products and its usage.
- 4 marks
18. Shells Pvt. Ltd. was the distributor of musical instruments. It had four departments named Purchase Quality, Marketing and Finance headed by their respective managers. Although, they were given the power to get the work done from their subordinates, still all the major departmental decisions were taken only after the approval of Mr. Sunil, the Managing Director, of the company. The Marketing manager once received an order for the supply of 200 different instruments to a Music School. Mr. Sunil had abroad with his family. The Marketing Manager could not communicate to him about it and as such they lost the order to their competitors.
- Which concept of Management is being referred to in the above situation?
  - How can its uses benefit the company?
  - Which style of leadership is displayed by Mr. Sunil?
- 4 marks
19. Ballerina, a greeting card company, provided pre-written cards for every occasion. This formula made it successful in USA and UK. To get the benefit of the hi-tech consumers who made use of computer more in their lives, Ballerina even launched a website for e-greetings. Inspired by its success, it decided to enter France. But to their shock, as compared their target of covering around 60% of the young population, they could not even reach the figure of 10% as the people of France preferred to write their feelings in the card on their own rather than the readymade standardized message.
- What does the above case tell about the nature of business environment?
  - Which dimensions of business environment have been discussed? Quote the lines to support your answer.
- 4 marks
20. Which type of communication is known as Grapevine and why? Also, discuss is

importance in an organization.

5 marks

21. Management is an inexact science. Do you agree? Give reasons.

5 marks

**Page 3**

**BUSINESS STUDIES (Set - 2)**

**Std. 12**

22. Suraksha, a cottage industry, owned by Janavi, got a huge order from an export unit for the supply of 5,000 designer Diyas within a month. To supply this order on time, she took stock of the existing resources both physical and human. She also anticipated the future conditions that might impact her business, like the availability of raw material, price level changes, power supply, etc. Since, the order was huge so she needed more labour. She could procure them from the nearby village where labour was abundant, or to involve the uneducated and differently abled youth of her area. She decided to opt for the second option as that would not only benefit her but would also generate employment opportunities in the society.

- a) Which function of management is performed by Janavi?
- b) State two steps that she still needs to fulfill to complete the process of the aforesaid function.
- c) State any two values that she considered while taking the decisions for her business.

5 marks

23. A garment manufacturing unit is facing a problem of accumulation of obsolete stock due to frequent changes in the fashion industry. The Marketing Manager came up with an idea to clear off the excess stock lying with them. They offered 'Free dinner coupons worth Rs. 500 on purchase of Rs. 6,000 and above.'

- a) Which type of promotional tool is used by the company? Identify it and explain three techniques of it.
- b) What limitation does this tool suffer from?
- c) Identify and explain the marketing management philosophy being followed by the company.

6 marks

24. Saraswati cables, a small cable manufacturing company, was facing a lot of problem in their manufacturing process. It had different functional departments headed by the functional managers. Each department had a goal to achieve. At times, the workers in the production department would get the instructions from the marketing manager as well. This caused a little confusion in the minds of the workers. To discuss the problems, the supervisor directly approached the Managing Director who then called for an interdepartmental meeting with the production manager, marketing manager, supervisors and the representatives of the workers from the departments.

By quoting the relevant lines, identify and explain the principles of management followed and violated in the above case.

6 marks

25. Anand Ltd. was running a successful business of manufacturing and selling electric bulbs, decided to diversify in the field of electric cables. For this, it needed to install a new plant, the minimum cost of which was Rs. 2 crores. It had retained earnings amounting to Rs. 50 lacs but the rest was to be raised from the market. The Finance Manager was given the responsibility to decide the different sources from where the remaining financial requirement could be fulfilled.

- a) Which financial decisions are involved in the above case?
- b) Discuss two factors each to be considered for the above mentioned financial decisions.

6 marks