



# St. Xavier's Sr. Sec. School

## Delhi-54

Pre Board Examination 2016-17  
Std. 12  
09-01-2017

Set 1

Max. Marks : 80  
Time : 3 hrs.

### BUSINESS STUDIES

#### General instructions:

- Answers to questions carrying 1 mark may be from one word to one sentence.
- Answers to questions carrying 3 marks may be from 50 to 75 words.
- Answers to questions carrying 4 -5 marks may be about 150 words.
- Answers to questions carrying 6 marks may be about 200 words.
- Attempt all parts of question together.

- "Only increase in production beyond 3% should be brought to the notice of the management." Which technique of controlling is highlighted in this statement? 1 mark
- Redington India has launched a scheme having long term objectives, wherein the consumers can exchange old smartphone with Iphone 5. Which type of plan is it? 1 mark
- "Lonely Planet magazine India Travel Awards 2016 has been awarded to Himachal Pradesh as it is the most adventurous destination." What is being marketed in this statement? 1 mark
- Which means help the subordinates of the same level of different departments to communicate directly in case of emergency? 1 mark
- Deepa bought a cell phone on 9.3.14 with a warranty period of two years. In May 2015, she noticed some defect and asked the company to rectify it. The company did not listen to the complaint. Now in May 2016, she is thinking of filing a complaint in the District Forum for redressal. Can she do so? Give reason for the same. 1 mark
- Reena Associates, a Chartered Accountancy firm is earning a lot of money by providing their services to big companies. State whether the working capital requirement of the firm will be less or more. Give reasons in support of your answer. 1 mark
- "A shift of demand from soft drinks to packaged juices in rural areas is an opportunity for juice companies and threat for soft drink companies." Identify the feature of Business Environment. 1 mark
- "Indeed government has made many efforts to protect the interest of consumers but nothing can be achieved until consumers themselves assume responsibility to stop their exploitation." State any one responsibility to be assumed by the consumers in the light of the above statement. 1 mark
- In the organisation, two employees are not allowed to freely communicate with each other. State the category of barrier to effective communication highlighted and explain any two barriers of this category. 3 marks
- "Change in attitude of workers and management towards one another from competition to cooperation." Identify and explain the concept highlighted in the above statement. 3 marks
- Rahul Malhotra used an entire tube of Garnier Powerlight which claimed to provide lighter skin and ensured oil and sweat free skin. He found that he was not the least fairer after an entire tube was used. He wrote to the consumer helpline of the company asking for documentary scientific proof that shows the cream has these properties but got no response. Identify and explain the right that Rahul has exercised. 3 marks
- The packaging of Kinder Joy ensures air tight protection, maximum hygiene and practical consumption. Thanks to the little spoon contained inside. The toys and gadgets featured with Kinder Joy not only stimulate imagination and creativity but also accompany and aid in a child's development.



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- a) Identify the two functions of packaging highlighted above.
- b) State the type of sales promotion technique used by Kinder Joy? Explain any other sales promotion technique with example. 3 marks
13. The sales of organic food have grown by 20 percent annually. Taking this to be an opportunity, a company dealing in organic products directed its workforce to work overtime. But this resulted in many problems. Due to increased pressure of work the efficiency of workers declined. Sometimes the subordinates were placed in different departments in different shifts. The workers were not willing to follow new rules laid down by superiors. The spirit of teamwork, which had characterised the company previously, began to decline day by day.  
Identify the three principles of management (as given by Henry Fayol) which were being violated, quoting the lines from the above case. 3 marks
14. Differentiate between Delegation and Decentralisation of Authority on the basis of:
- |            |                      |
|------------|----------------------|
| a) Scope   | b) Freedom of action |
| c) Purpose | d) Essentiality      |
- 4 marks
15. Raj Rajaratnam, a fund manager created a network of executives from top companies such as Intel, IBM and many others. These people provided him with material non-public information about their respective companies which he used to buy and sell shares in the market thereby minting around \$60 million profits.
- a) Name the term used for trading malpractice highlighted in the above case.
- b) Which body has been established by the Government of India for providing protection to investors from such trading malpractice?
- c) State the two functions of this body apart from (b) above 4 marks
16. To reduce pollution in Delhi, the Supreme Court has extended the ban on registration of diesel cars considering that diesel vehicles cause more pollution than other vehicles. Also, the court indicated imposing a one-time cess on their purchase in a bid to clean up Delhi's toxic air as incomes are rising and people can afford to pay.
- a) Identify the different dimensions of business environment by quoting lines from the above paragraph.
- b) State any two values promoted in the above case. 4 marks
17. Havells India Ltd. earned a net profit of Rs. 464.94 crores. A board meeting is being held to decide how to appropriate these profits. Identify the financial decision that is to be taken in the Board Meeting and also discuss any three factors which help all the Board Members to take this decision. 4 marks
18. Ramdev is the face of the company and Acharya Balkrishna, managing director at Patanjali Ayurved, has a larger role in product development and innovation while Ram Bharat, younger brother of Baba Ramadev, is taking care of the day to day operations. Today teams of several functions including finance, human resource, production and supply chain report to Ram Bharat who in turn reports to Balkrishna and Ramdev.
- a) At what level are Acharya Balkrishna and Ram Bharat operating?
- b) Whose job among the two mentioned in (a) is more complex and stressful, demanding long hours and commitment to the organisation?
- c) Explain any one function performed at their respective levels. 4 marks
19. Nidhi Ltd. set up in 1940 follows a strict formal organisational structure. It is now facing its detrimental effect on its productivity. The information is restricted and there is no co-operation



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among employees and departments. All the employees are supposed to follow the officially laid standards of behaviour. The workforce is highly demotivated due to red-tapism which is leading to increased employee turnover. It's becoming more problematic as the organisation is becoming more specialised.

- a) You are required to advise the company with regard to change it should bring about in its organisation to overcome problems faced by it.
- b) Give three reasons in terms of benefits it will derive from the changes suggested by you. 4 marks
20. The task of HR manager is not complete even after the employee has been selected for a particular position in the organisation. In the light of the given statement, discuss the remaining steps in the process of staffing. 5 marks
21. Jack Ma became a billionaire by brilliant management along with leading his company in a big way. Since 1999 when Jack Ma founded Alibaba, he has stimulated and inspired employees to "think big" and "work for their dreams"! He did that himself and built Alibaba into the world's largest online business. He believed in hiring people with superior technical skills.
- a) Identify and state two functions of management highlighted above.
- b) Discuss two points of importance of each of the function being identified in (a) above.
- c) State any two values reflected in the above case. 5 marks
22. Benjamin Franklin has correctly remarked, "If you fail to plan, you are planning to fail". Do you agree with the statement? Give any five reasons in support of your answer. 5 marks
23. Apple (mobile company) prices their innovative products higher during their initial release, because the company knows steeper prices won't decrease customer demand for their gadgets, and they can benefit from the higher short-term profit margins.
- a) Explain the two factors affecting the pricing decision highlighted quoting lines from the above case.
- b) Explain four other factors which are to be considered while fixing price of a product. 6 marks
24. "Just as road signals are essential to ensure accident-free and smooth traffic, managerial controlling is necessary for smooth running of business." Comment. 6 marks
25. Alex is a finance manager working with ABC Ltd. strictly believes that EPS always rise with increase in debt and on this basis advises the Board to issue more debt to raise money. But, Mr. Ramesh Sharma an esteemed member in the Board disagrees and raises an objection that there can be a situation when EPS does not increase with more debt in capital structure. In your opinion which of the two is correct? Give reason in support of your answer citing an example. 6 marks

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