

## PRE-BOARD EXAMINATION –II January – 2020

CLASS: XII

BUSINESS STUDIES

Time: 3 hrs.

MAX. MARKS: 80

**General Instructions:**

- a) Attempt all Questions.
- b) Questions from 1-20 of **Section A** carries one mark.
- c) Questions from 21-25 of **Section B** carries Three mark.
- d) Questions from 26-28 of **Section C** carries four mark.
- e) Questions from 29-31 of **Section D** carries five mark.
- f) Questions from 32-34 of **Section E** carries six mark.
- g) All parts of a question should be attempted at one Place

**SECTION-A**

- 1 Management may be called which of the following science? 1  
(a) Perfect Science (b) Physics (c) Applied Science (d) Chemistry
- 2 Yash Ltd. is facing a lot of problems these days. It manufactures electronic goods like washing machines, microwave ovens, refrigeration and air conditioners. The company's margins are under pressure and the profits and market marketing department blames production department for producing goods, which are not of good quality to meet customers' expectations. The finance department blames both production and marketing departments for declining return on investment and bad marketing. 1  
What quality of management do you think the company is lacking?
- 3 'Three subordinates- S1, S2 and S3 receive orders from M1'. In such a situation which principle of management is being observed? 1  
(a) Equity (b) Order (c) Unity of command (d) Unity of direction
- 4 With the introduction of Photostat Machines in the market, the carbon paper industry was adversely affected. Which component of environment was responsible for it? 1  
(a) Economic (b) Political (c) Technical (d) All the above
- 5 "In case the debts are not paid within a month, interest at a definite rate will be levied." To what element (type) of planning does this saying point out? 1
- 6 In which situation the divisional structure happens to be appropriate? 1  
(a) Where the number of major products is more than one  
(b) Where the size of the Organisation is quite large  
(c) Both the above  
(d) Where primarily only one product is sold

- 7 The employees of Food Darbar, a restaurant, are trained through a structured program that provides training in each area within the restaurant. The trainees learn the skills necessary for running each of the 12 workstations in the restaurant, from taking orders to the cooking area. This enables the employees to gain a broader understanding of all parts of the business and how the restaurant functions as a whole. The trainee gets fully involved in the department's operations and also gets a chance to test her/his own aptitude and ability. When employees are trained by this method, the organization finds it easier at the time of promotions, replacements or transfers.  
In context of the above case, name the type of training which Food Darbar provides to its employees. 1
- 8 Rajat a Sales Manager, achieved his sales target one month in advance. This achievement as displayed on the notice board and the CEO of the Company awarded a certificate for the best performance to him. Name the incentive provided to Rajat. 1
- 9 Amit and Mikki are working in the same organization but in different departments. One day at lunch time Mikki informed Amit that due to computerization some people are going to be retrenched from the organization. State one limitation of identified type of communication. 1
- 10 ABC Ltd. was not able to achieve its objective. On analyzing, they found that employees were not given their best, so he decided to announce an incentive plan, which offers various incentives to employee and workers at different levels for achieving their target.  
Which element of directing is used by manager?  
(a) Supervision (b) Motivation (c) Directing (d) Leadership 1
- 11 An important project at Amway Ltd. consultants is running behind schedule by a month. This has upset their clients and might affect the reputation of the company in the long run. No managerial action like assigning more workers, equipment or giving overtime has been able to solve the problem. What managerial action may now be taken by the company to avoid such a situation from arising in the future?  
(a) Revise the schedule; (b) Assigning additional workers and equipment to the project;  
(c) Get permission for further overtime work; (d) Both b&c. 1
- 12 The importance of 'Trading on Equity' lies in the fact that if the company is earning more profit, it can make use of borrowed capital and preference share capital and by doing so it can increase the income of \_\_\_\_\_  
(a) Preference Shareholders (b) Lenders (c) Equity Shareholders (d) Government 1
- 13 Decision affecting liquidity and profitability of a business is \_\_\_\_\_  
(a) Financial Planning (b) Dividend Decision (c) Financing Decision (d) Investment Decision 1
- 14 In the paint industry, various raw materials are mixed in different proportions with petroleum for manufacturing different kinds of paints. One specific raw material is not readily and regular available to the paint manufacturing companies. Bonler Paints Company is also facing this problem and because of this there is a time lag between placing the order and the actual receipt of the material. But, once it receives the raw materials, it takes less time in converting it into finished goods. Identify the factor affecting the working capital requirements of this industry. 1
- 15 The stock market regulator, Securities and Exchange Board of India (SEBI), has initiated a certification programme for all market intermediaries. Under this programme, people associated with stock markets in any way, will have to obtain a qualifying certificate from the regulator. The National Institute of Securities Market (NISM), a trust formed by SEBI, is tasked with the 1

certification programme. In the context of the above case: Identify the type of function performed by SEBI.

- 16 Name the function of marketing which is concerned with cost and location of target market. 1  
a) Physical distribution b) pricing c) Transportation d) storage and warehousing
- 17 JTM Ltd. launched 'Buddy line', an exercise book and comprehensive stationery brand name comprising of ball pens, gel pens and geometry boxes after identifying the target market and understanding the needs and wants of the consumers of that market. All their products were of good quality and eco-friendly but expensive. They wanted to distinguish their products from that of their competitors. They spent lot of efforts, time and money in creating the brand name, as they knew that without a brand name, they can only create awareness for the generic products and can never be sure of the sale of their products. The effort paid off and the demand for the products started growing. The customers liked the brand and became habitual to it. They did not mind paying a higher price. Over a period of time, it became a status symbol to buy 'Buddy line' brand because of its quality. The consumers felt pride in using them. 1  
Identify the marketing management philosophy followed by JTML td
- 18 State whether the following statement is True/False 1  
"Packaging and Labeling are same or synonyms of each other"
- 19 Sonu went to a shopkeeper to buy shampoo. The shopkeeper forced him to buy a particular brand of shampoo out of various available brands, irrespective of the willingness of Sonu. Which right of Sonu, as a consumer, has been exploited? 1  
(a) Right to Information. (b) Right to choose (c) Right to consumer education. (d) Right to be heard
- 20 Raja Babu purchased a diesel car for Rs. 7 lakhs from an automobile company and found its engine being defective. Despite many complaints the defect was not rectified. Name the highest authority to file his complaint in the three-tier machinery under the Consumer Protection Act. 1  
(a) National commission (b) State commission (c) District forum (d) Supreme court

## SECTION-B

- 21 Shiva Computers Ltd. is a leading company in Computer Technology and IT services. The CEO of the company attributes the success of the company to its managerial team spirit, which have helped to handle rapid changes in technologies and to transform into opportunities. Like any other business enterprise profits are important for survival and growth of Shiva Computers Ltd. The management of the company believes that a satisfied employee creates a satisfied customer, who in turn creates profits that leads to satisfied shareholders. The company has a strong sense of social responsibility. It has setup many educational institutions in the field of management, engineering and computer education in which half of the students are girls. Identify and explain the various types of objectives of management being fulfilled by Shiva Computers Ltd. by quoting lines from the paragraph. 3

OR

State three functions required to be performed by a Manager at Middle level of management.

- 22 The manager of ML td. Is over burdened with the work and is unable to concentrate on core issues of the company. To overcome this problem, he entrusted some of his authority to his immediate subordinate to share some of his routine work. 3
1. Which concept is used by the manager?
  2. It is an extension of one of the principles of management, Name the principle.
  3. Give one benefit of the concept identified in part(1) above
- 23 Tanushree runs a factory where in she manufacturers shoes. The business has been doing well and she intends to expand by diversifying into leather bags as well as western formal wear, thereby making her company a complete provider of corporate wear. This will enable her to market her business unit as the one shop for working women. Which type of structure would you recommend for the expanded organization and why? Explain any two advantages of this organization structure. 3
- 24 Reliance Jio Info comm Limited is the subsidiary company of Reliance industry which provides 4G network service. Jio is the only Vo-LTE (voice over LTE) provider in the country. Reliance Jio was launched with free unlimited calling and data usage for 3 months which was extended for another three months later as a special offer. This was one of the biggest reasons for its popularity among the masses. After April 2017 customer has to pay for their calls and data usage there are many very reasonable price plans from which you can choose to use. Company used all types of medium for promoting its products in market i.e. print, electronic media, sponsorship of sports and game shows, Display and Hoardings, Social Networking Sites, departmental stores etc. at the end of the third month it provided another attractive offer for its existing customers to pay a sum of Rs.300 once and enjoy the same service for next three months. As a result the company covered a major market share within a short span of time. It has launched its own mobile phones, Wi-Fi Routers also. In the context of the above case: 3
- a) Identify which types of promotional tools were used by the company?
  - b) Explain two features of any one promotional tool identified in part(a)
- 25 Seema purchased a book from Harish Book Store. While reading the book, she found that sixteen pages were missing. She approached the seller of the book and complained about the missing pages. The seller promised that if the publisher was ready to change the book he would change the same. After a week, the seller informed Seema that the publisher had refused to change the book. Where can Seema file a complaint against the seller of the book? Give reason in support of your answer. Also explain who is a consumer as per “Consumer Protection Act 1986”. 3

### SECTION-C

- 26 Bharat is running an ice cream parlor in a local market. Keeping in mind the changing perceptions about health among the people, one of his employees, Abhiraj suggests to him that they should introduce a range of flavored yogurt. Bharat accepts his suggestion as a result both the image and the profitability of his business increases. 4
- In the context of the above case:
1. Identify the feature of management which his being highlighted.

2. State the relate dimension of the business environment.
3. Name and explain the related principle of general management.

- 27 One of the questions that needs to be answered in the organizing function is ‘At what level are decisions made’? Decision making authority in an organization can be pushed down to the lower levels or it may be with the top management. However it is not an ‘either or’ concept. When an organization grows in size or complexity, there is tendency towards sharing decision making authority with the lower levels. This is because in large organizations, employees who are closely involved with certain operations tend to have more knowledge about them than the top management. An important concept of organizing function is discussed above. Identify the concept and state any three points of its importance 4
- 28 How does branding help in Creating product differentiation? Does it help in marketing of goods and services? Discuss 4

OR

‘Expenditure on advertising is a social waste’ Do you agree? Discuss

#### SECTION-D

- 29 Explain the technique of ‘Functional Foremanship’ and the concept of ‘Mental Revolution’ as enunciated by Taylor. 5

OR

Discuss the relevance of Taylor’s contribution in the contemporary business environment.

- 30 Two years ago, Madhu completed her degree in food technology. She worked for some time in a company that manufactured chutneys, pickles and murabbas. She was not happy in the company and decided to have her own organic food processing unit for the same. She set the objectives and the targets and formulated an action plan to achieve the same. One of her objectives was to earn 10% profit on the amount invested in the first year. It was decided that raw materials like fruits, vegetables, spices, etc. will be purchased on three months credit from farmers cultivating only organic crops. She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Mohan as the Production Manager who decided the exact manner in which the production activities were to be carried out. Mohan also prepared a statement showing the number of workers that will be required in the factory throughout the year. Madhu informed Mohan about her area-wise sales target for different products for the forth coming quarter. While working on the production table, a penalty of ₹ 100 per day for not wearing caps, gloves and apron was announced. Quoting lines from the above paragraph identify and explain the different types of plans discussed. 5
- 31 How is working capital calculated? Discuss four important determinants of working capital requirements. 5

OR

Explain the various Money Market Instruments.

## SECTION-E

- 32 An Auto company is setting up a new plant in India for manufacturing auto components. India is a highly competitive and cost effective production base in this sector. Many reputed car manufacturers source their auto components from here. Co. is planning to capture about 40% of the market share in India and also export to the tune of at least \$6 million in about 2 years of its planned operations. To achieve these targets it requires a highly trained and motivated workforce. You have been retained by the company to advise it in this matter. While giving answers keep in mind the sector the company is operating. 6
- (i) Outline the process of staffing the company should follow.
- (ii) Which sources of recruitment the company should rely upon. Give reasons for your recommendation.
- (iii) Which methods of training and development should the company initiate? Explain giving reasons.

- 33 What are the common barriers to effective communication? Suggest measures to overcome them. 6

OR

Explain any six non-financial incentives used to motivate employees of a company?

- 34 The Bombay Stock Exchange (BSE) is Asia's first stock exchange and the world's 11<sup>th</sup> largest stock exchange. It became the first stock exchange to be recognized by the Indian Government under the Securities Contracts Regulation Act. Its automated, screen based trading platform called BSE On-Line Trading (BOLT) had a capacity of 8 million orders per day. The BSE has also introduced a centralized exchange-based internet trading system, BSE WEBx.co.in to enable investors anywhere in the world to trade on the BSE platform. In context of the above case: 6
1. Name the organisation that regulates the working of stock exchanges in India.
  2. State any three functions performed by stock exchanges.
  3. Give any two advantages of screen-based trading

OR

Incorporated in 1990, Raju Dairy Ltd., is one of the leading manufacturers and marketers of dairy-based branded foods in India. In the initial years, its operations were restricted only to collection and distribution of milk. But, over the years it has gained a reasonable market share by offering a diverse range of dairy based products including fresh milk, flavored yogurt, ice creams, butter milk, cheese, ghee, milk powders etc. In order to raise capital to finance its expansion plans, Raju Dairy Ltd. has decided to approach capital market through a mix of Offer for sale of Rs.4 crore shares and a public issue of Rs.2 crore shares.

In context of the above case:

1. Name and explain the segment of capital market being approached by the company.
  2. Identify and explain the two methods of floatation used by the company to raise the required capital.
  3. Give one difference between them.
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