

FIRST PREBOARD EXAMINATION (2019-2020)
CLASS: XII

Subject: BUSINESS STUDIES

Date: 12-12-2019

Time allowed: 3 Hours

Maximum Marks: 80

General Instructions:

- a. **All** questions are **compulsory**.
- b. Marks are indicated against each question.
- c. Please check this question paper contains 8 printed pages only.
- d. Please check that this question paper contains 34 questions.
- e. Attempt all parts of a question together.

1. What is the focus of attention when a Manager is busy in planning activity?

- a) Organising
- b) Staffing
- c) Coordination
- d) Controlling

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2. A purchase Manager of a Company has to purchase 500 tons of raw materials. Apart from the other suppliers in the market, his son also supplies that raw materials. The manager purchased the raw materials from the firm of his son at a rate higher than the market rate. Which principle of management is violated in this situation?

- a) Unity of command
- b) Unity of direction
- c) Subordination of personal interest with general interest
- d) Equity

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3. Which component of business environment resulted in the relaxation of ban imposed on the Foreign Direct Investment?
- a) economic environment
 - b) political environment
 - c) social environment
 - d) legal environment
4. 'In case the debts are not paid within a month, interest at a definite rate will be levied'. What element of planning does this saying point out?
- a) Policy
 - b) Rule
 - c) Procedure
 - d) Budget
5. A tall structure has a:
- a) Narrow span of management
 - b) Wide span of management
 - c) No span of management
 - d) Broad span of management
6. The objective of _____ training is to establish balance between the theoretical and practical knowledge.
7. In proficiency test, candidate's ability and skill in an examination are verified. True or False.
8. Self-direction is an important feature of _____ leadership style.
9. Ability to work is created by motivation. Ture or false.
10. According to the principle of critical point control, the attention is focused on the _____.
11. What is meant by financial risk?

12. The controlling creates hurdles in the company's environment to follow the Principles of order and discipline. True or False. 1
13. Money market deals in _____ - term securities. 1
14. Name the Index of Bombay Stock Exchange. 1
15. Identify the short-term incentive which is designed to encourage the buyers to make immediate purchase of a product or service. 1
16. What do you mean by brand? 1
17. _____ is the central point in the marketing point of view. 1
- a) Consumer's satisfaction.
 - b) Customer's welfare.
 - c) Quality of the product
 - d) Quantity of the product
18. In a District forum the disputes regarding complaints amounting less than Rs. 20 Lakhs are resolved. True or False. 1
19. Give the names of any two Consumer organizations in India. 1
20. Give the additional responsibility of a consumer apart from obtaining a cash memo for his purchase of a washing machine. 1
21. Name and explain the principle of management according to which a manager should replace 'I' with 'We' in all his conversations with the workers. 3
22. Clarify the difference between standing plans and single-use plans. 3

OR

Explain in brief any three types of plans.

23. Explain the term Trading on Equity with the help of an example. 3
24. To promote orderly and healthy growth of securities market and protection of investors SEBI was set up. With reference to this statement explain the objectives of SEBI. 3

25. 'Bending the customers according to the product', and 'Developing the product according to customer's needs' are two important concepts of marketing management.

Identify the concepts and differentiate between the two. 3

26. Konark Ltd. is an electric goods manufacturing enterprise situated in Shivpuri, Madhya Pradesh. It earns a very low revenue in comparison to competing electronic goods manufacturing enterprise; Nova Ltd, situated in Mumbai. Both Konark's and Nova's operations are affected directly by the investors, customers, competitors and suppliers which are unique to their respective locations. In addition to this individual form of this field are affected indirectly by the factors like the money supply in the economy, composition of families, the technological changes etc.

a) Identify and state the feature of the concept discussed in the above paragraph.

b) Also, state any four points of importance of this concept. 4

27. Formal organizations are better than informal organizations. Do you agree with this statement? Give reasons. 4

28. Ayesha Ltd. assured their employees that inspite of recession no worker will be retrenched from the job.

i. Name and explain the type of incentive offered to the employees.

ii. Explain one more incentive of the same category. 4

OR

Rajat, a Sales Manager, achieved his sales targets one month in advance. This achievement was displayed on the noticeboard and a certificate for the best performance was awarded to him by the CEO of the company.

i. Name and explain the incentive provided to Rajat.

ii. Identify the type of incentive.

iii. List two other incentives of this type.

29. Rajeev; the owner of Pathways Constructions decided to start a campaign to create awareness among people for developing clean surroundings in their area. He formed a team of 10 members to list the different ways for cleaning the surroundings. One suggested to take the help of local residents, another suggested that they may involve school going children in their venture. One more suggestion was to take the help of unemployed youth. On evaluation of different ways, it was decided to take the help of local residents. To achieve the desired goal various activities were identified:

- a. Purchase of necessary items like trashcans, garbage bags, brooms etc.
- b. Collection of garbage
- c. Disposal of garbage etc.

After identification of different activities, the work was allocated to different members.

Identify the concepts of management involved in the above situation and quote the lines which help their identification. 5

30. Compare Training and Development. 5

31. Mr. Stanley Anthony is Production Manager of 'Coconut Oils and General Mills Ltd'. His main virtue was that prior to doing anything, he ponders over it. To explore and analyse different options of each and every activity that is to be undertaken by him in future has become his habit. Besides, he quickly brings his subordinates under his own influence. They do what he wants. In spite of all this, for the last few months performance of his department failed to achieve the expected level. This situation put him into lot of worry. To counter this situation, he sought help from some external specialists. Finally, he concluded that the poor performance was due to two reasons:

First, inefficiency of some newly recruited employees and secondly, wear and tear of machines.

In order to remove these shortcomings, he took the following corrective action:

- i. To remove inefficiency of the employees he established a training center and gave its charge to an expert trainer.
- ii. To deal with the wear and tear of machines he decided to replace them with new ones.

In the context of the above paragraph, answer the following questions

- a) Identify by quoting the lines any one function of management taken by Mr. Anthony. Define it.
- b) Identify the two steps of controlling process mentioned here.
- c) Identify the training method.

5

OR

Mr. Jai Prakash Gupta is the General Manager of 'Bhagwati Udyog Pvt. Ltd. 'with a view to running his business in a careful manner, he divided all the activities into seven departments. These departments were: Purchase, Marketing, Production, Personnel, Finance, Accounting and Correspondence. Later on, he realized that Accounting and Correspondence department can be merged into Finance Department. Thus all business activities were divided into five departments. Mr. Gupta is now thinking on the lines as to which are the departments, out of these five that will have significant role in the success of the business. After complete analysis, he concluded that Marketing, Production, and Finance were the department on which success of the business depended, it meant that even of some short coming occurred in the departments of Purchase and Personnel, and it would not affect much the success of the business. Therefore, Mr. Gupta determined deviation tolerance limits of these three main departments. It means that is deviation of these departments remains within this tolerance limit, then it will be looked after by the concerned manager. However, in case the deviation is beyond this limit then the same will be brought to the notice of the General manager.

- i. Identify and define the two functions of management referred in the above paragraph.
- ii. Identify and describe the relevant concepts under these identified functions which are mentioned in the above paragraph.

32. Indore Cattle Feeds Limited is a well-known company of its area. For the last few days differences have cropped up between the management and the workers. The workers are demanding more bonus. This matter has aggravated so much that the attention of both the parties has been diverted from production to the division of profit. Consequently, the profits of the company began to fall.

In order to assess the situation of company's rapidly falling of the profits, a team of specialists in management was invited. After investigations, besides management-workers' differences, one more fact was revealed. That fact was that the Purchase Manager of the company was purchasing the raw materials from another company run by his own son at a price more than the market rate. Consequently, increase in cost of production and reduction in profits had taken place.

When the news of deteriorating environment of the company was leaked out, the customers felt disappointed. Consequently, many customers left the company and some of them were thinking on these lines.

However, the pleasant factor for the company is this that a big company in competition with it has closed its business because of heavy losses. It has advertised in a newspaper also for the sale of factory.

- i. Which technique of scientific management will be suitable in order to rise above this current situation? Why?
- ii. Which principle of management given by Henry Fayol is being ignored by the company? Explain by quoting the relevant lines.
- iii. Which factors of the business environment are affecting the company? Identify the type and factors of business environment. 6

33. Viyo Ltd. is a company manufacturing textiles. It has a share capital of Rs.60 lakhs. The earning per share in the previous year was Rs.0.50. For diversification, the company requires additional capital of Rs. 40 lakhs. The company raised funds by issuing 10% debentures for the same. During the current year the company earned a profit of Rs.8 lakhs on capital employed. It paid a tax@40%.

- i. State whether the shareholders gained or lost, in respect of earning per share on diversification. show your calculations clearly.
- ii. Also, state any three factors that favour the issue of debentures by the company as part of its capital structure. 6

34. Mohan purchased an electric iron for Rs. 3,000/-. On using it, he found it defective. He contacted the seller who did not respond to the complaint.

In your view what should Mohan as well as the seller do? 6

OR

Reena purchased one kg of butter from a shopkeeper. After using it she had a doubt that it was adulterated. She sent it for a laboratory test which confirmed that the butter was adulterated.

Advise her about the reliefs available to her, if she makes complaints and the consumer court is also satisfied about the genuineness of the complaint.