

**PREBOARD EXAMINATION (2019-2020)**

GRADE: XII CBSE

TOTAL MARKS:

80

**BUSINESS STUDIES**

DATE: \_\_\_\_\_

TIME: 3 HRS

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**General instructions:**

1. 15 mins cool off time has been allotted to read this question paper.
2. Answer to questions carrying 1 mark may be from one word to one sentence.
3. Answer to questions carrying 3 marks may be from 50-75 words.
4. Answer to questions carrying 4-5 marks may be about 150 words.
5. Answer to questions carrying 6 marks may be about 200 words.

**SECTION A**

**ANSWER ALL 20 QUESTIONS EACH CARRIES ONE MARK (1x20 = 20)**

- Principles of management are NOT: 1
1. a. Universal                      b. flexible  
c. Absolute                      d. Behavioural
  2. Name the step in the process of planning which is considered the “real point of decision making”. 1
  3. \_\_\_\_\_ gives shape to the organisation structure. 1  
  
a) Extent of delegation;                      b) Span of Management;  
c) No of employees;                      d) Planning
  4. Tomato Ltd., a food delivery service app has recently faced criticism for the tampering of their product, by their delivery boys. Tomato Ltd. decided to put a hologram seal on the food packets in order to protect the contents from spoilage, leakage, pilferage, damage, along with a tag with a safety warning for the consumers to check the seal. Which concept of marketing discussed above is performing the important function of communicating with the potential buyer and promoting the sale. 1  
  
(a) Branding;                      (b) Product designing and development;  
(c) labelling;                      (d) packaging.
  5. Sheela went to a free eye camp & got her eyes operated for cataract. The surgery was not done properly, due to which she lost her vision. Where can she file a complaint under consumer protection act? 1  
  
(a) At District forum                      (b) State commission  
(c) National Commission                      (d) None of above

6. Raghav's friend Raman works as a Chartered Accountant in Solutions Ltd. Raman in a meeting with the Board of Directors of the Company came to know that the firm would soon be declaring a Bonus issue which would result in increase in the price of shares. Considering this, Raman advised Raghav to purchase the shares of Solutions Ltd., who acted on his advice and bought the shares before time. Which function of SEBI can control such malpractices? 1
- (a) Protective functions;  
(b) Regulatory functions;  
(c) Development functions;  
(d) All the above.
7. ABC Ltd. has Debt Equity ratio of 3:1 whereas XYZ Ltd. has Debt Equity ratio of 1:1. Name the advantage ABC Ltd will have over XYZ Ltd, when the rate of interest is lower than the rate of return on investment of the company. 1
- (a) Trading on equity;  
(b) Low risk;  
(c) Low cost of equity;  
(d) Greater flexibility.
8. M.R.Sarathi, the Ex-chairman of Swadesh Ltd, built up his successor before retiring. Following the norms set up by himself, he handed over the reins of the company to the co-founder Mr. Shravan, who had the potential to bring about change in the behaviour of others. Name the concept of management which was the reason why Mr. Sarathi chose Mr. Shravan to be his successor. 1
- A. Motivation;  
B. Leadership;  
C. Communication;  
D. Staffing.
9. SCT services CEO RajanGopinath's compensation includes salary, commission and other allowances. The company also pays for his insurance and vacations. Identify one indirect payment being made by the company to the CEO. 1
- a. Employer paid Insurance;  
b. Salary;  
c. Commission;  
d. Allowances.
10. At Support.com, there is no reward or appreciation for a good suggestion. Thus, the subordinates are not willing to offer any useful suggestions to their superiors. Identify the type of barrier to communication that has been created in the firm due to this. 1
- a. Semantic barrier;  
b. Personal barrier;  
c. Organisational barrier;  
d. Psychological barrier

11. The first step in controlling process is to fix \_\_\_\_\_ 1
- Efficiency
  - Standards
  - Investment
  - None of these
12. Identification of the sources of manpower is the process of \_\_\_\_\_ 1
- Selection
  - Planning
  - Recruitment
  - Training
13. Which of the following statements best describes 'Mental Revolution'?" 1
- it implies change of attitude
  - the management and the workers should not play the game of one-man up man ship
  - both management and the workers require each other
  - workers should be paid more wages
14. Grouping of activities on the basis of product lines is a part of \_\_\_\_\_ 1
- delegated organisation
  - divisional organisation
  - functional organisation
  - autonomous organisation
15. \_\_\_\_\_ A standardized mark is printed on jewellery 1
- Agmark
  - ISO 2009
  - ISI
  - Hallmark
16. Consumer can ask anything regarding date of manufacturer, price, quality etc., is example of? 1
- Right to be informed
  - Right to choose
  - Right to safety
  - Right to be heard
17. This concept provides a shorter route and avoids delay in communication during emergency. 1
- discipline
  - unity of command
  - unity of direction
  - gang plank
18. It refers to the use of communication with the twin objective of informing the potential customers about a product and persuading them to buy it. 1
- Public relations
  - Promotion
  - Labelling
  - Physical Distribution

19. This technique of scientific Management tries to find out one best way of doing the job 1  
a. Motion study  
b. Time study  
c. Method study  
d. Fatigue study
20. The technique of scientific Management aims at unnecessary diversity of products is: 1  
a. standardization  
b. initiative  
c. functional foremanship  
d. simplification of work

### SECTION B

**ANSWER ANY FIVE QUESTIONS FROM 21 TO 26. EACH CARRIES THREE MARKS  
(5x3 = 15)**

21. "Delegation of authority" undoubtedly empowers an employee to act for his superior, but the superior would still be accountable for the outcome. Explain the elements of delegation of authority discussed above. 3
22. List any three tasks that Mr. Armstrong needs to do, as a production manager, in his firm, to carry out the plans laid down by the top managers. 3
- OR**
- Enumerate the three economic objectives of management.
23. "Art is concerned with personal application of knowledge". In the light of this statement, compare all the features of Art with management and prove that it is an Art. 3
24. State any three functions performed by non-governmental organisations for consumer protection. 3
25. The Research & Development department of Healthy Production Ltd. has decided to diversify from manufacturing health drinks to cereals made from millets. They are well aware of the fact that the company will have to communicate to the people the benefits of eating millets. For this purpose, they plan to sponsor various events like marathons and encourage people to switch to healthy eating through newsletters.  
a) Identify and briefly explain the promotional tool being discussed above.  
b) Also explain any two other promotional tool that can be used by the company, apart from the one discussed above. 3

### SECTION C

**ANSWER ANY THREE QUESTIONS FROM 26 TO 28, EACH CARRIES 4 MARKS  
(4 X 3 = 12)**

26. A company has its registered office in Delhi, manufacturing unit at Gurgaon and marketing and sales department at Faridabad. The company manufactures consumer products. Which type of organisational structure should it adopt to achieve its target and why? Give two reasons. 4

27. The Government is considering a pioneer proposal to launch a single debit-cumcredit card to increase the ease and usage for the consumers. The card which will be called the "National Mobility Card" will have unique advantages for making payments in metro, buses, parking and making transactions during visits abroad. After hearing this news, Mega Bank decided to launch a "Mega Mobility Card" on similar lines, so that they could be the first to exploit the opportunity, arising due to the increasing trend of digitization. In order to improve their performance, they laid down a plan to hire more people in their marketing department and prepared guidelines to train their sales force to market the new card facility being launched by the bank. By quoting the lines, identify and explain any two points of importance of understanding Business Environment discussed above. 4

28. State any four factors which affect the determination of the price of the product. 4  
OR  
State the four components of physical distribution?

#### SECTION D

**ANSWER ANY THREE QUESTIONS FROM 29 TO 31, EACH CARRIES 5 MARKS. (5 x 3 = 15)**

29. An Auto Company, Win Ltd is facing a problem of declining market share due to increased competition from other new and existing players in the market. Its competitors are introducing lower priced models for mass consumers who are price sensitive. The Board of Directors of the Company announced a meeting to discuss the decisions regarding pricing and launching a new range of models, in order to increase the market share of the company. Attending the meeting was not a discretion for the directors and a penalty was announced for not attending the meeting. The following decisions were taken in the meeting: a) to define the desired future position of the company, as acquiring a dominant position in the market by increasing the market share to 10% in 1 year. 5  
b) to change the criteria for choosing vendors for procuring supplies;  
c) to invest in development of the human resources of the organisation by providing training to higher levels by holding seminars and providing on the job training for the supervisory management.

What are standing plans and single use plans? Briefly explain the plans discussed above, which can be classified as standing plans, by quoting the lines.

30. Explain by giving any five reasons why principles of management are needed. 5  
31. What is meant by Capital Budgeting? State any four factors affecting fixed capital requirement of a firm. 5

OR

Enumerate any five points of importance of financial planning.

#### SECTION E

**ANSWER ANY THREE QUESTIONS FROM 32 TO 34, EACH CARRIES SIX MARKS  
(6 x 3 = 18)**

32. What is informal communication? Explain briefly its advantages and disadvantages. 6

33. Ali Mohammad the CEO of Super Ltd believes that human resource is the most important asset of the firm. He believes that no organisation can be successful unless it can fill and keep filled the various positions provided for in the structure with the right kind of people. Identify the function of management being discussed above and state the benefits to the organisation that its proper application in the firm will ensure. 6
34. Kyana, a beauty products e-commerce company, is diversifying into men's grooming. It is also tapping the demand for beauty products in the fashion industry and amid professionals such as make-up artists. As it diversifies its online presence, Kyana is also expanding its physical presence. They have 41 outlets across 18 cities presently and plan to expand to 180 outlets. Each store requires a capital expenditure of 60-80 lakh rupees. The company has decided to raise funds by issuing equity shares but not directly to the public, rather by offering them for sale through brokers. Identify and briefly explain the method of floatation followed by the company. Also name & explain the other methods of floatation that can be used by the company for raising funds from the public, in the primary market. 6

OR

Radhika got 10, 00,000 rupees after selling her parental property which she had got as a gift from her grandmother. Her friend advised her to invest in securities in the stock market. Radhika was unaware of the procedure for the same. Her friend introduced her to a stockbroker, who was registered with the National Stock Exchange. Radhika approached the broker. The broker guided her to open a DEMAT account with a Depository, as well as a Bank account. Radhika opened a Bank account & DEMAT account with Exin Bank. (a) Identify the steps in the trading procedure for buying and selling of securities which have been discussed above. (b) State the next four steps of the trading procedure.