

Pre – Board 1 2019-20
Business Studies (054)
Class: XII

Max. Marks: 80
Time Allowed: 3 hours

General instruction:

- 1) Question no. 1 to 20 are very short questions carrying 1 marks each.
- 2) Question no. 21 to 25 are short questions carrying 3 marks each.
- 3) Question no. 26 to 28 are questions carrying 4 marks.
- 4) Question no. 29 to 31 are question carrying 5 marks.
- 5) Question no. 32 to 34 are questions carrying 6 marks.
- 6) There are total 6 printed pages.
- 7) 1 Internal option is given for 3 marks and 4 marks questions each, 2 internal questions are given for 5marks and 6 marks each.

Section - A

1. Which of the following is not an element of communication process? [1]
(a) Rumors (b) Channel
(c) Sender (d) Encoding
2. The label of a breakfast cereal did not disclose the presence of soya content towards which many people are allergic. Which consumer rights of the consumer is violated by the marketer? [1]
(a) Right to be heard (b) Right to consumer education
(c) Right to information (d) Right to seek redressal
3. What makes debentures a cheaper source of capital? [1]
4. Which of the following statements do not relate to 'Mental Revolution'? [1]
(a) It implies change of attitude.
(b) The management and workers should not play the game of upmanship.
(c) Both management and workers require each other.
(d) Workeres should be paid more wages.
5. The purpose of planning is to meet future events effectively to the best advantage of an organisation. This implies that: [1]
(a) Planning is continuous (b) Planning is a mental exercise
(c) Plannig is futuristic (d) Planning is a primary function of management.

6. The job offer is given to the candidate after being successfully clearing the_____. [1]
7. Why did demonetization take place in India? [1]
8. Give the meaning of a market offering. [1]
9. Pinola Ltd. made a plan that if an employee report for work after 10 a.m. for three consecutive days, then that employee will be required to work on a Sunday. Identify the type of plan. [1]
10. Suraj Ltd. is engaged in producing a single line of product which requires high degree of specialisation with diversified activities. The type of organisational structure suitable for it is: [1]
(a) Functional structure (b) Formal structure
(c) Divisional structure (d) Informal structure
11. Which of these is not a component of social environment? [1]
(a) Quality of life (b) Life expectancy
(c) Composition of family (d) Low Income of family
12. Formulation of policies is a function of: [1]
(a) Top level management (b) Middle level management
(c) Supervisory level management (d) Entire organisation
13. 'Vastu Ltd.' is engaged in the manufacturing of apparel. Over the years, it has become a popular brand due to its good product quality and exclusive designing. The company plans to open its own retail showrooms in metropolitan cities in India. In order to meet its financial needs, it has offered for subscription an IPO of ₹ 4 lakh equity shares in the price band of ₹430 – ₹ 445 each. As per the guidelines of SEBI, the company has provided a complete disclosure of the relevant details in its prospectus. Identify the right of the consumer being fulfilled by the directives of SEBI in the above case. [1]
14. Dexcel Ltd., engaged in production of computer hardware, has a high receivables turnover ratio. How will this ratio affect its working capital requirement? [1]
15. As an organisation grows in size and complexity, it moves towards _____ decision making. [1]

16. Bhushan joined a production unit as a foreman. He observed that the output of the workers declined rapidly by the end of the day. Bhushan carefully studies the job and declared the standard output per worker for the day. Bhushan did this with the help of: [1]
- (a) Time study (b) Method study
(c) Motion study (d) Standardisation
17. Name the form of organisation which is not deliberately created. [1]
18. Name the level of management which is engaged in: [1]
- (a) recruitment of casual labour
(b) introducing a new product line and deciding the capital structure of the company.
19. Span of management refers to : [1]
- (a) Number of managers
(b) Length of term for which a manager is appointed.
(c) Number of subordinates under one superior.
(d) Number of members in the top level management.
20. Mansi took her daughter, Suman for shopping to 'Big Bazaar'. To buy her school shoes as her birthday gift. She was delighted to get a free pencil box along with the bag. Identify the element of marketing mix referred here. [1]

Section - B

21. Explain the following rights of a consumer as provided under the Consumer Provisions Act 1986. [3]
- (a) Right to be informed (b) Right to seek redressal.
22. Rahul is learning the work of welding under the guidance of Hasan. Name and explain the method of training Rahul is undergoing. [3]

OR

The President of YK Innovations Ltd., Ms. Niti Gupta, has been serving the company for the last 20 years on this position and the company has increased its revenue by twenty times in the last 20 years.

Ms. Gupta, has an excellent eye for detail and surrounds herself with like – minded people to follow her lead. She is incredibly demanding of her people and wants to involve herself in every detail. She is always at the centre of everything in her company and makes sure that all processes are being followed as per her guidance.

Identify and explain the leadership style followed by Ms. Gupta.

23. Which concept of financial management takes into account the growth, performance, investment and requirement of funds for a given time period? Explain the importance of the concept referred here. [3]
24. The employees of PQRS, a publishing house, formed a cricket club for their recreation. Identify and explain which type of organisation is it? State any two advantages of this organisation. [3]
25. Dipak bought a house from H. K. builders for ₹ 2 crore. He was given in writing the main specifications of the different components of the house. On analysis, it was found that the quality of some materials was inferior to what has claimed by H.K. builders. Dipak pleaded that the price of the house with the material used should have been ₹ 1.5 crore. He attached the expert's opinion with the complaint. He insisted that either ₹ 50,00,000 should be refunded to him or the deal should be cancelled. But the builders did not entertain his complaint. He approached the competent authority with all the valid documents and prayed for justice. [3]
- (a) Which competent authority Dipak might have approached?
 - (b) What is the constitution of the authority identified under the question (a) .
 - (c) Have you been the head of this authority, what judgement you would have given.

Section - C

26. Mr. Ajay was the chairman of 'Tara Bank'. The bank was earning good profits. Shareholders were happy as the bank was paying regular dividends. The market price of their share was also steadily rising. The bank was about to announce taking over of 'Venom Bank'. Mr. Ajay knew that the share price of 'Tara Bank' would rise on this announcement. Being a part of the bank he was not allowed to buy shares of the bank. He called one of his rich friend Suresh and asked him to invest ₹ 5 crores in shares of his bank promising him the capital gains. [4]
- As expected the share prices went up by 40% and Suresh was now having ₹.7 crores out of which ₹1 crore was distributed to Mr.Ajay as promised. On inspection by SEBI, irregularity was found and Mr. Ajay was fined heavily.
- By quoting the lines from the above para, identify and explain any two functions that were performed by SEBI in the above case.
- 27 What is Labelling? Explain the three functions of labelling. [4]

OR

- Name the element of marketing mix in which a set of firms and individuals creates possession, place and time utility and helps in marketing offering. Also, explain any three important functions performed by this element.
28. 'Money alone cannot motivate an employee'. Explain. [4]

Section – D

29. Mr. Naman is running a grocery store for fulling the needs of his neighbouring area. He saw the growth of grocery store in recent times. So, he also started the facility of free home delivery of grocery items to his customers after receiving order from them on telephone. [5]
- (a) Which business environment prompted Mr. Naman to bring this change?
(b) List any four impact of change in government policy on business and industry.
30. ‘Organisng involves a series of steps in order to achieve the desired goals.’ State the meaning of organising and explain its steps. [5]

OR

“Our assets walk out the door each morning, We have to make sure that they come back the next morning.’ This quote refers to one of the function of management. Identify the function and explain its first four steps.

31. Explain the factors affecting Dividend decision. [5]

OR

Distinguish between the market for short term and long term securities on the basis of:
(a) Meaning (b) Participants (c) Liquidity (d) Safety (e) Expected return.

Section - E

32. The given notice is placed at the reception of Manju Ltd. Do you find any ambiguity in the message? Explain the barrier of communication referred to here? [6]

Notice

A meeting of all superivisors is scheduled on 21st March, 2019 to discuss about the coming financial year.

OR

Shantanu Ltd. imported a new high tech-machine from Germany for manufacturing high quality auto components in a cost effective manner. But during the production process, the manager observed that the quality of production was not as per the standard. On investigation, it was found that the workers are not using the machine to its full utility.

Suggest what can be done to develop the skills and abilities of employees for producing high quality products by using this hi – tech machine. Also, state how the employees or the organisation will benefit from your suggestion.

33. In each of the following cases, identify the principle of management given by Henri Fayol [6] being violated and explain them.
- (a) When two persons having the same qualifications earning different wages for the same working hours.
 - (b) Mr. S a subordinate, habitually contacts higher authorities in the organisation by surpassing his immediate superior.
 - (c) When tools and equipments are not found at the right place in the company.
34. ‘With the development of new technologies in the field of packaging, more and more people are demanding for packed products rather than loose one.’ Do you agree? Justify it by highlighting the other functions of packaging. [6]

OR

Explain any three philosophies of marketing management with suitable examples.

-o0o0o0o-