

SAMPLE PAPER – 2016
(As per latest CBSE Syllabus)

BUSINESS STUDIES

Class: XII

Duration: 3Hrs

Max Marks: 80

General Instructions:

- (i) Answers to questions carrying 1 mark may be from one word to one sentence.
- (ii) Answers to questions carrying 3 marks may be from 50 – 75 words.
- (iii) Answers to questions carrying 4 – 5 marks may be about 150 words.
- (iv) Answers to questions carrying 6 marks may be about 200 words.
- (v) Attempt all parts of a question together.

1. A Steel firm has not been meeting marketing order in time. Marketing manager puts blames on production department, production managers says finances were not available in time. Name the concept of management missing here. 1
2. Amit, Bobby and Salman joined together and set up a multi-product company. Their company makes four different products. Three products of the company have been successfully launched in market. But the company has not succeeded to launch the fourth product in market. What sort of organizational structure, in your view, might have been adopted by the company? 1
3. 'The greatest number of managerial levels in an organisation makes it more complex'. To which type of organizational barrier to communication this statement refers to? 1
4. Sumeet is running an 'Advertising agency' and earning a lot by providing this service to big industries. State whether the working capital requirement of the firm will be 'less' or 'more'. Give reason in support of your answer. 1
5. Asha a school bag manufacturer decided to improve the product for profit maximization and thus added a water bottle to the existing design. Identify the marketing management philosophy adopted by Asha. 1
6. What is Depository Service? 1
7. Which type of leadership provides a high degree of independence to subordinates to formulate their own objectives and ways to achieve them and the leader is available to supply required information to complete the task assigned? 1
8. What type of conversation takes place in 'Personal Selling'? 1

9. Mr. Rakesh holds the designation of finance manager in “Glory Shines Trading Limited”. Last year, performance of this department was as per the expectation. Currently, he is busy in preparing financial blue print of the next five years. To begin with he tried to forecast the sales in the next five years. It is so because it is the sales on which depends the need for fixed and working capital. Thus an estimate was made with regard to both these items. Similarly, he collected data in respect of possible profits in the coming years. In this way, one can know how much of capital will be available from within the business. The rest of the funds will be arranged from outside the business. He is also thinking about the sources of finance to be tapped outside the business. 3
- (i) Identify the financial concept as referred to in the above paragraph.
 - (ii) State any two points of importance of the financial concept, so identified.
10. ABC Power Ltd. set up a factory for manufacturing solar lanterns in a remote village as there was no reliable supply of electricity in rural areas. The revenue earned by the company was sufficient day by day, so the company decided to increase production to generate higher sales. For this they decided to employ people from the nearby villages as very few job opportunities were available in that areas. The company also decided to open schools and creches for the children of its employees. 3
- (i) Identify and explain the objectives of management discussed above.
 - (ii) State any one values which the company wanted to communicate to the society.
11. “100 grams of extra material in a pack of one kg” is an example of one of the techniques of ‘Promotion Mix’. 3
Name the technique and explain two other techniques of promotion mix.
12. Tushar Raman started a telecommunication company, ‘Sayonara Ltd.’ to manufacture economical mobile phones for the Indian rural market with 15 employees. The company did very well in its initial years. As the product was good and marketed well, the demand of its products went up. To increase production the company decided to recruit additional employees. Tushar Raman, who was earlier taking all decisions for the subordinates are competent, capable and resourceful and can assume responsibility for effective implementation of their decisions. This paid off and the company was not only able to increase its production but also expanded its product range. 3
- (a) Identify the concept used by Tushar Raman through which he was able to steer his company to greater heights.
 - (b) Also explain any two points of importance of this concept.
13. Business of “Queen Global Reach Ltd.” is spread across many countries. Company received the following information about human resources from two of these countries. 3
In the first country, business of the company is far less than expected.

That is why the number of employees there is much more than is necessary. But the company has also learnt that the state of slowdown in business will stay for a short period only.

In the second country, in some departments of the company number of employees is more than required whereas in some other departments the same posts are lying vacant.

Advise the H.R. Manager of the company as to what method of recruitment he should follow in both the countries and why?

14. An environmental conscious multinational company "AXN Ltd." follows certain well defined business principles that result to minimize the employee turnover. Following are some of the important environmental factors followed by 'AXN Ltd.' 4
- (1) Honour the law of every country in which it operates.
 - (2) Respect the culture and customs of all nations.
 - (3) Provide clean and safe products to enhance the quality of life throughout the world.
 - (4) Develop a culture in the company that enhances individual creativity and teamwork while honouring mutual trust and respect between management and labour.
- From the above:
- (i) Identify and state any one general principle of management.
 - (ii) Also identify any two values which the above guiding principles and environmental factors are conveying to the society.
15. Suma is working in a company on a permanent basis. As per the job agreement she had to work for 10 hours a day and was free to work overtime. Suma worked overtime, due to which she fell ill and had to take leave from her work. No one showed concern and enquired about her health. She realized that she was fulfilling only some of her needs while some other needs still remained to be fulfilled. 4
- (i) By quoting the lines from the above para, identify the needs of Suma which she is able to fulfil.
 - (ii) Also explain two other needs of Suma followed by the above needs, which still remained to be satisfied.
16. Two years ago Vibha completed her BBA course. As she had knowledge of the business she began taking interest in her parental business. Her father used to do wholesale business of wheat. Vibha suggested to her father why not they should also go in for retail business of wheat. Her father agreed. He entrusted full responsibility of the new business to Vibha. First of all, she conducted market survey and tried to obtain information regarding the kind of wheat, price and weight of its packing that the people liked. On the basis of the information obtained from the market she concluded that people liked desi wheat the most. Many varieties of wheat were already available in the market. In order to show that her wheat was distinct from that of other traders, she gave it the name of "Swad Healthy Food". Wheat was packed in attractive plastic bags. Weight of each packed wheat bag was either 10 kg. or 20 kg., so that it is easily carried and moved from one place to the other. Vibha pasted a label on each bag giving full information about the wheat packed 4

in. While deciding the price of her product she kept in mind, the expectations of the people, price of competitors' products and reasonable rate of profit. Thus a new business came into being. Within a few days, Vibha was known as a successful traders.

With reference to the above paragraph identify and explain four functions of marketing.

17. “Uttaranchal Fair deal Limited” is a famous services providing company. 4
Mr. Chandan Pushkar is its Managing Director. He continuously motivates his Research and Development that new and latest methods of doing work be explored. Provisions has also been made to give reward to those employees who will participate in a particular exploration. He also believes that two groups working on managerial and non-managerial posts are similar to two wheels of an organizational vehicle. If this vehicle (organisation) is to be driven in a right way then both the wheels should be properly aligned. Mr. Pushkar is a successful leader. Among his employees, he has instilled the feeling that no decision will be taken without consulting the subordinates. To excel, the other companies in this field, is the main motive of Mr. Pushkar. Paying attention to training is the secret of the company.
Identify by quoting the lines four principles of scientific management as mentioned in the above paragraph.
18. Remu Natrajan the Principal of “Ever Shine Public School” appointed 4
Gurpreet Chand as the coach for football team which was to play the final match in the National-Level Tournament. During training the coach inspired the players to make up their mind to win the match in all circumstances. He also stressed that they had to win the match with the difference of at least five goals from the losing team. He explained special methods to the players for playing both offensive and defensive game. He also told them how after beating the opponents, football would be passed from one player to the other until it reached the goal box of the opposite team. At the end of the training, the coach warned all the players against misbehaving with any of the players of the opposite team, otherwise, they could be punished.
- (i) Identify the concept of the planning functions of management described in the paragraph given above.
 - (ii) Explain the three types of concept identified in point (i) by quoting the relevant lines.
19. Explain the four factors that affect the fixation of price of a product. 4
20. Indians mostly being vegetarians as per the studies of KFC has planned 5
to introduce veg rice meals in its menu.
- (i) Identify and explain the characteristic of management highlighted in the given statement?
 - (ii) Name the dimension of business environment which is responsible for this step of KFC.
 - (iii) State any two values conveyed to the society.
21. Michel John is a sole proprietor in Nicobar. He has started trade after 5

getting M.B.A. degree. He is fully familiar with all the functions of management. He starts his business with the planning function of management. He desires that all his activities should confirm to planning. To this effect, he has adopted a system that keeps a constant watch on all activities of the business. Consequently, there is zero possibility of adverse results. It can, therefore be said that this method is directly related to the results. Mr. John also believes that this method applies not only to any one level of management but to all the levels as well.

- (i) Identify the function of management referred to in the aforesaid paragraph.
- (ii) Describe any three characteristics of the function of management identified under point (i) above.

22. Differentiate between Primary market and Secondary market. 5

23. A company was manufacturing 'LED bulbs' which were in great demand. It was found that the target of producing 300 bulbs a day was not met by the employees. On analysis, it was found that the workers were not a fault. Due to electricity failure and shortage of workers, the company was not able to achieve the set targets and alternative arrangements were needed. 6

To meet the increased demand, the company assessed that approximately 88 additional workers were required out of which 8 would work as heads of different departments and 10 would work as subordinates under each head. The required qualifications and job specifications were also enlisted. It was also decided that necessary relaxation should be given to encourage women, persons from backward and rural areas and persons with special abilities to assume responsible positions in the organisation. All efforts were made to match the ability of the applicants with the nature of work.

- (a) Identify the functions of management discussed above.
- (b) State the two steps in the process of each function discussed in the above para.

24. Surekha is a student of 10 + 2 (Commerce) Class. She listened attentively and understood the lecture on Consumer Protection Act delivered by the teacher. Her teacher remarked that currently consumers enjoy several rights. In case, goods purchased by him/her causes harm to his/her health and property there is a provision for compensating him/her. Besides, this act has also some expectations from the consumers. During the course of his/her purchases he/she should keep certain things in mind. Briefly, provisions of the act can protect the consumer only when he/she has complied with certain fundamental things. 6

The very next day of this lesson, Surekha purchased an ISI market Iron box from Suman Appliance. She made cash payment. But failed to get cash memo. While making use of the iron box she observed that it was not working properly. She contacted the shopkeeper immediately and told him her problem. Shopkeeper paid no heed to her complaint. Rather he remarked that the goods in question was not bought from his shop.

- (i) Identify and explain the right and responsibility of the consumer as referred to in the above paragraph.

- (ii) In addition to the right and responsibility of the consumer identified in point (i) write one more right and one responsibility.
- (iii) Can Surekha lodge a complaint against the shopkeeper?

25. “Radhika Limited” manufactures blankets. Company’s history has been satisfactory, but for the past sometime, its cash flow position is in a bad shape. That is why company has not been able to pay sufficient dividend to its equity shareholders. When Mrs. Kapoor, the finance manager, tried to find out the causes of poor financial situation of the company, she observed that the control of the company was in the hands of several persons who were unable to take any concrete decision. To come out of this financial crisis, Mrs. Kapoor, has been deliberating on the kind of source of finance that needs to be tapped to arrange funds. She wants to make use of such a source as does not prove to be a fixed burden on the company. She has also to keep in mind that company has got its premises on rent and the rent is exorbitant. Similarly, it has to bear the burden of fixed salaries. She is also worried about the fact that in future control of the company should not be in the hands of too many persons. Above discussion hints at those factors which help the finance manager in deciding as to which financial source (Equity shares or Debentures) he should tap for the needed funds. Of the four factors mentioned here two are in favour of issuing equity shares and the other two are in favour of issuing debentures. Identify these factors and explain by underscoring the relevant lines. 6

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