

CLASS XII

SAMPLE PAPER-01

BUSINESS STUDIES

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.
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1. Why is it said that principles of management are mainly behavioural in nature ? 1
2. 'Glow and Shine Ltd.' is a famous beauty brand offering organic beauty products for men and women. The company uses plant-based materials for its products and is the No. 1 beauty brand in the country. It not only satisfies its customers but also believes in overall protection of the planet. Identify the marketing management philosophy being followed by 'Glow and Shine Ltd.'
- Downloaded. 1
3. What do you mean by management? 1
4. What is delegation of authority? 1
5. What is capital structure? 1
6. ABC Ltd. issued prospectus for the subscription of its shares for ` 500 crores in 2008. The issue was oversubscribed by 20 times. The company issued shares to all the applicants on pro-rata basis. Later SEBI inspected the prospectus and found some misleading statement about the management of the company in it. SEBI imposed a penalty of 5 crores and banned its three executive directors for dealing in securities market for three years. Identify the function and its type performed by SEBI in the above case. 1
7. Ronit Raj, a marketing manager is a patient of diabetes for which he takes medicines regularly. One day, on his tour to Patna, he met with an accident and was hospitalised. Due to doctors' negligence a delicate nerve of his right leg was cut rendering him crippled throughout his life. Identify the consumer

right that has been violated by the doctors under the Consumer Protection Act, 1986 in the above situation.

1

8. Good Living Ltd. manufactures mosquito repellent tablets. These tablets are packed in strips of 12 tablets each. Each of these strips are packed in a cardboard box, 48 such boxes are then placed in a big corrugated box and delivered to various retailers for sale. State the purpose of packaging the tablets in a corrugated box.

1

9. Suhasini a home science graduate from a reputed college has recently done a cookery course. She wished to start her own venture with a goal to provide 'health food' at reasonable price. She discussed her idea with her teacher (mentor) who encouraged her. After analyzing various options for starting her business venture, they shortlisted the option to sell readymade and 'ready to make' vegetable shakes and sattu milk shakes.

Then, they both weighed the pros and cons of both the shortlisted options.

a) Name the function of management being discussed above and give any one of its characteristics.

b) Also briefly discuss any three limitations of the function discussed in the case.

10. M/s Beta Ltd. deals in consumer goods. It employs 100 workers and 10 operative managers who give guidance and support to the workers while operating the machinery. The company has a policy of granting leave as per the requirement of the workers. Workers are generally granted leave on festivals and special occasions. Recently on Puja festival, it received a big order. Workers are keen to take Puja holidays while management is pressing hard for overtime. This matter was placed before the Personnel Manager who called the meeting of operative managers and workers to inform them about the changes in the incentive plan which states payment of double wages for working overtime and triple wages for working on holidays. Workers without any pressure voluntarily took limited holidays and were able to increase their earning by working overtime and on holidays. During Board of Directors meeting, Personnel Manager was asked to update the management for achieving higher output, meeting timely supplies without any confrontation with workers. Personnel Manager replied, "I just used a carrot with no sticks approach".

By quoting the lines from above paragraph state any two elements of directing.

3

11. Aakanksha, Nikita and Parishma are the owners of a handicraft unit in the urban area of

Dibrugarh in Assam, which is involved in the manufacturing and marketing of Sital Pati, traditional mats and Jappi (the traditional headgear). They decided to shift this manufacturing unit to a rural area with an objective of reducing the cost and providing job opportunities to the locals. They followed the functional structure in this organisation with a view to increasing managerial and operational efficiency. They assessed and analysed the type and number of employees required, keeping in mind that they had to encourage the women, and the people with special needs belonging to the rural area. State the next three steps that they will have to undertake, for obtaining a satisfied workforce for their handicraft unit.3

12.Unicon Securities Pvt. Ltd" was established to deal in securities. It was registered as a stock broker with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) to trade in securities listed at these exchanges. It is also a depository participant with CDSL and NSDL. In the first three years, it developed its business successfully. After that the composition of Board of Directors changed. Some customers complained to the customer care centre of the company that shares purchased by them and for which the payment has been duly made, were not transferred to their D"mat Accounts by „Unicon securities Pvt. Ltd" . The executive of customer care centre promised the aggrieved customers that their shares will be transferred to their respective D"mat Accounts very soon. But the company delayed the matter and didn"t transfer the shares of the customers to their D"mat Accounts. This eroded investors "confidence and multiplied their grievances.

- 1) Identify the step of trading procedure in a stock exchange which has not been followed by „Unicon Securities Pvt. Ltd" .
- 2) Name the Apex statutory body of capital market to whom customer can complain to redress their grievances.
- 3) Write two values not followed by Unicon Security Pvt. Ltd. 3

13.‘Adharshila Vidyalaya’ believes in holistic development of students and encourages team building through a mix of curricular, co-curricular and sports activities. On its Founders’ Day a stage performance had to be put up. A committee of ten prefects was constituted to plan different aspects of the function. They all decided to use recycled paper for decoration. As there was a spirit of unity and harmony and all members supported each other with mutual trust and belongingness, the programme was systematically planned and executed. Arvind, one of the prefects, realised that unknowingly the

group had applied one of the principles of management while planning and executing the programme. He was so inspired by the success of the function, that he asked his father to apply the same principle in his business. His father replied that he was already using this principle.

(a) Identify the principle of management applied for the success of the programme.

(b) State any two features of management highlighted in the above paragraph.

3

14. Kiran Industries is a company manufacturing office furniture. The company chose to diversify its operations to improve its growth potential and increase market share. As the project was important many alternatives were generated for the purpose and were thoroughly discussed amongst the members of the organisation. After evaluating the various alternatives Sukhvinder, the Managing Director of the company decided that they should add 'Home Interiors and Furnishings' as a new line of business activity.

a) Name the framework, which the diversified organisation should adopt, to enable it to cope with the emerging complexity? Give one reason in support of your answer.

b) State any two limitations of this framework.

15. It helps a manager to extend his area of operations as without it, his activities would be restricted to only what he himself can do. Identify the activity referred to, in the above statement and state its elements.

16. Time Line watch manufacturing company is a renowned company marketing watches. It performs various activities like, market analysis, product designing or merchandising, packaging, warehousing, branding, pricing, promotion and selling. The company maintains good customer relations through various follow up activities. This helps the company in procuring repeat sales orders.

(a) Name the concept related to the activities mentioned in the above paragraph.

(b) Explain any three features of the concept identified in part (a)

4

17. "Every time I travelled, people asked me to bring them chips, khakra and pickles from all over the country," says Anoushka. Finally, she and her colleague, Sumeet, decided to make a business out of it. They launched a face book page, asked people what they wanted, and they came up with a list of about 100 places and tied up with two dozen vendors to begin with. They were servicing people from Jaipur who wanted spices from Kerala, people from Panipat who wanted halwa from Jammu and

people from Delhi who ordered for fresh tea leaves from Darjeeling.

Through their business they wished to bridge the gap between sellers and buyers. The business is now worth millions.

Explain any two important activities that Anoushka and Sumeet will have to be involved in for making the goods available to the customers at the right place, in the right quantity and at the right time. 4

18. Sultan was a regional Manager in ‘Homely Products Ltd.’ for the last eight years. On the retirement of the Marketing Manager, Sultan applied for the same post because he was extremely ambitious and had dedicated all his energies to obtain the post of Marketing Manager. However, the top management decided to fill the position by selecting a better person from outside the company. Because of this Sultan was heartbroken and his performance declined.

When the new Marketing Manager joined, one of his major problems was how to motivate and inspire Sultan to his former level of performance.

Suggest any four non-financial benefits that the new marketing manager may use to motivate Sultan. 4

19. Kamal, Khan and Devid are partners in a firm engaged in the distribution of dairy products in Madhya Pradesh. Kamal is a holder of Senior Secondary School Certificate from Central Board of Secondary Education with Business Studies as one of his elective subjects. Khan had done his post-graduation in Hindi literature and Devid in Dairy Farming. One day there was a serious discussion between Khan and Devid regarding the nature of ‘Management as a Science’. Khan argued that Management was not a science whereas Devid was of the opinion that Management was a science. Kamal intervened and corrected both Khan and Devid about the nature of Management as a Science with the help of his knowledge of Business Studies.

Explain, how Kamal would have been able to satisfy both Khan and Devid. 4

20. Explain importance of co ordination . 4

21. Explain the process of controlling. 5

22. Coconut Joy Ltd.” are the manufacturer of vegetarian frozen dessert food products made with coconut milk, agave syrup and other certified ingredients. The founders of the company Lovely and Lalita originally developed this treat to meet their own needs but found that their friends and families around were also keen to use the products. It was not only the vegetarians, but also those who could not get enough environment friendly sustainable food, that appreciated the product. It did not take long for Lovely and Lalita to recognise the potential of their little venture. In the beginning they started from their home with the product being sold through local family parties that enable guests to personally meet the owner. This

helped to establish strong connections with the prospective buyers and the company could put the product on shelves of natural food store. The company used all marketing activities to grow and expand. The company began sponsoring booths at festivals, drawing attention to its newly created vegetarian products. It also disseminated relevant information to media about its products and the people who helped in building the company's reputation.

Lovely and Lalita were invited for an interview with one of the leading TV channels in which they talked about their environment friendly vegetarian products. To show its gratitude to customers, local business and government officials who supported the company from the beginning, „Coconut Joy Ltd.“ hosted a gala event and involved all of them to raise funds for a few local NGO's. The company also asked its fans and customers to send songs and poetry conveying their impression about „Coconut Joy's Ltd.“ products.

(a) Identify the communication tool used by “Coconut Joy Ltd”.

(b) Briefly explain the role of the tool identified in “a” above.

1+4

23. A business that doesn't grow dies”, says Mr. Shah, the owner of Shah Marble Ltd. with glorious 36 months of its grand success having a capital base of `80 crores. Within a short span of time, the company could generate cash flow which not only covered fixed cash payment obligations but also create sufficient buffer. The company is on the growth path and a new breed of consumers is eager to buy the Italian marble sold by Shah Marble Ltd. To meet the increasing demand, Mr. Shah decided to expand his business by acquiring a mine. This required an investment of `120 crores. To seek advice in this matter, he called his financial advisor Mr. Seth who advised him about the judicious mix of equity (40%) and Debt (60%). Mr. Seth also suggested him to take loan from a financial institution as the cost of raising funds from financial institutions is low. Though this will increase the financial risk but will also raise the return to equity shareholders. He also apprised him that issue of debt will not dilute the control of equity shareholders. At the same time, the interest on loan is a tax deductible expense for computation of tax liability. After due deliberations with Mr. Seth, Mr. Shah decided to raise funds from a financial institution.

a) Identify and explain the concept of Financial Management as advised by Mr. Seth in the above situation.

b) State the four factors affecting the concept as identified in part “a” above which have been discussed between Mr. Shah and Mr. Seth.

2+4

24. 'Silkiya Ltd.' is a company manufacturing silk cloth. It has been consistently earning good profits for many years. This year too, it has been able to generate enough profits. There is availability of enough cash in the company and good prospects for growth in future. It is a well-managed organisation and believes in quality, equal employment opportunities and good remuneration practices. It has many shareholders who prefer to receive a regular income from their investments. It has taken a loan of < 60 lakhs from SBI Bank and is bound by certain restrictions on the payment of dividend according to the terms of the loan agreement. The above discussion about the company leads to various factors which decide how much profit should be retained and how much has to be distributed by the company.

Quoting the lines from the above discussion, identify and explain any four such factors.

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25. Kavya had been working with 'Reliable Ltd.' for the last ten years. She was famous for her dedication towards the work. When the manager senior to her retired, all her colleagues thought that now Kavya would be promoted. But to everyone's surprise the vacant post was filled by an outsider 'Miss Garima'.

Because of this, Kavya felt demoralised and her performance started declining. She would absent herself often and could not meet her targets. Miss Garima was a good leader who would not only instruct her subordinates but also guide and inspire them. She noticed Kavya's behaviour and felt that her performance could be improved. She started involving Kavya in decision-making issues related to the organisation and made her a member of a high-level joint management committee. Kavya was now punctual to office and her performance started improving.

- (a) Identify the function of management being performed by Garima.
- (b) Name the element of the above function of management which helped Garima to improve Kavya's behaviour.
- (c) State any 4 importances of that function.

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