

SAMPLE PAPER – 2017-2018

(As per latest CBSE Syllabus)

BUSINESS STUDIES

Class: XII

Duration: 3 Hrs

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.	Which level of management is responsible for making budget for sales expenditure for a particular department under the sales manager?	1
2.	Kishore Verma was recently appointed as an employee of SEBI. In one of the meetings the employees were told to take urgent steps for the development of securities market. State the function Kishore Verma would be performing.	1
3.	The CEO of XYZ Ltd. an automobile enterprise dreams of his company becoming the best player in future, for which he sets the objectives, forecasts the future and develops various courses of action. Identify the management function which is highlighted here.	1
4.	When does the need for a proper organizational structure arise?	1
5.	'Vastra 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	1

	<p>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.</p> <p>Identify and state the right of the consumer being fulfilled by the directives of SEBI in the above mentioned case.</p>	
6.	<p>On her sister's wedding, Sakina decided to gift her gold ring. When she shared her plan with her husband, he showed her an article in the daily national newspaper under the heading "Jago Grahak Jago". The campaign included details the various aspects that people must consider before buying any gold jewellery.</p> <p>Why do you think campaigns like "Jago Grahak Jago" are inserted in the newspaper?</p>	1
7.	<p>Why is it said that supervisor acts as a link between workers and management?</p>	1
8.	<p>Production cycle is one of the factors affecting working capital requirements. In this context, what is production cycle?</p>	1
9.	<p>What kind of strategic decisions are taken by business organisations?</p>	3
10.	<p>"Controlling is a continuous activity". Explain the statement.</p>	3
11.	<p>Explain the role of financial planning in financial management.</p>	3
12.	<p>After completing his bachelor's in computer science, Abhijeet joined an IT consultancy firm. He observed there that the senior management more often communicated failures than successes. They rarely shared any good news related to the growth of the firm or give any recognition to its employees for their extraordinary contributions towards the firm. As a result, Abhijeet never felt encouraged enough to work up to his full potential and started exploring other avenues for employment.</p> <p>In the context of the above case:</p> <p>(i) Identify the element of directing in the absence of which the employees don't feel encouraged to work.</p>	3

	(ii) State any two importance of this element of as identified in part (i).	
13.	<p>After completing his education, Arman opened a small restaurant in a posh market to earn his livelihood. In order to attract good clientele, he decided to install two air conditioners in the restaurant. Since he didn't have sufficient funds to buy air conditioners of a good brand, he bought two air conditioners from a local manufacturer in Janakpuri, Delhi for ₹ 20,000 each. Later on, he found that the compressor of one of the air conditioner was not working properly. Despite many complaints, the defect was not rectified by the manufacturer. So, he feels very disappointed about the issue and wants to take a legal action against the manufacturer to not only get compensation but also to save other people from being duped by the local manufacturer.</p> <p>(i) Name the redressal agency to which he can approach to file complaint against the local manufacturer.</p> <p>(ii) State any two directions which the consumer court can issue to the local manufacturer after being satisfied with the genuineness of the complaint.</p>	3
14.	State any four features of co-ordination.	4
15.	<p>Ishita works as a corporate event coordinator in an event management company. She has been made an overall official in charge for organizing a painting exhibition for one of the clients of the company. For ensuring that the exhibition takes place successfully, she identifies the various activities involved and divided the whole work into various task groups like marketing committee, decoration committees and reception committee. In order to facilitate coordination within and among committees, she appoints a supervisor of each group. Each member in the group is asked to report to their respective supervisors and all the supervisors are expected to work as per Ishita's orders.</p> <p>In the context of the above case:</p> <p>(i) Identify the function of management being performed by Ishita.</p>	4

	(ii) Describe briefly the first three steps involved in the performance of the function of management as identified in part (i) of the question.	
16.	Briefly, explain why transfer has horizontal movement and promotion has vertical shifting of employees.	4
17.	Wireworks Ltd. is a company manufacturing different kinds of wires. Despite fierce competition in the industry, it has been able to maintain stability in its earnings and as a policy, uses 30% of its profits to distribute dividends. The small investors are very happy with the company as it has been declaring high and stable dividend over past five years. In context of the above case: (i) State any one reason because of which the company has been able to declare high dividend by quoting line from the paragraph. (ii) Why do you think small investors are happy with the company for declaring stable dividend? (iii) List any one value Wireworks wants to communicate to the society.	4
18.	Suraj is a small entrepreneur involved in the manufacturing of hair wax. He finds that cost of production of 100 gm of hair wax is ₹ 250. He has decided to keep a margin of 15% as profit. Moreover, he has assessed that there is a free competition in this product segment. In the context of the above case: (i) Name and explain the function of marketing being performed by Suraj. (ii) State briefly the two factors that he is taking into consideration while performing the function as identified in part (i).	4
19.	Anushka is doing a course in fashion designing from an institute of repute. As part of the course, she has been asked to take on-the-job training in an export house for a fortnight in order to gain an insight about various practical aspects related to designing. Anushka, through the references from her senior, joins an export house owned by an upcoming designer, Nandita. In context of the above case: (i) Name and explain the type of training which Anushka has been asked to undertake.	4

	(ii) Explain briefly any one method for providing off-the-job training.	
20.	<p>The organic food market in India is growing at 25-30% which reflects a clear shift in consumer tastes and preferences. The current growth in the organic food markets is driven by multiplicity of factors like rising health consciousness, changing life styles, increase in disposable income and growing availability of organic food products in shopping malls, retail outlets and online.</p> <p>In the context of the above case:</p> <p>(i) Identify and explain the features of business environment being referred to here.</p> <p>(ii) By quoting phrases from the paragraph identify the various components of general forces which have led to a growth in the organic food market.</p>	5
21.	<p>“Home Creations Ltd.” is a well-known chain of large department store offering various types of products under one roof. The company owns fifty stores in various parts of the country. Each store is placed under the charge of a manager who is allowed to run their stores autonomously by deciding about the products which may be promoted, appointment of staff, ways to handle customer complaints etc. As these managers have a deeper knowledge of the local situations, it enables them to take these decisions effectively keeping in view the local circumstances and consumer’s needs. This approach helps to improve customer service and at the same time serves to boost morale and increase the job satisfaction of the store managers as it empowers them to innovate and use their initiatives.</p> <p>In the context of above case:</p> <p>(i) Identify and explain the policy followed by “Home Creations Ltd.” to run their stores successfully.</p> <p>(ii) State any two points highlighting the importance of the approach followed as identified in part (i) of the question.</p> <p>(iii) List any two values that “Home Creations Ltd.” wants to communicate to its employees.</p>	5
22.	Define Communication. Identify the type of barrier mentioned through the following statements:	5

	<ul style="list-style-type: none"> (i) These are concerned with problems and obstructions in the process of encoding and decoding of messages into words or impressions. (ii) A worried person cannot communicate properly and an angry receiver cannot understand the real meaning of message. (iii) Factors relating to organization structure, authority relationships, rules and regulations may act as barriers. (iv) Personal factors of both sender and receiver may exert influence on effective communication. 	
23.	Explain the principles of Scientific Management.	6
24.	<p>“Apparels” is India’s second largest manufacturer of branded Lifestyle apparel. The company now plans to diversify into personal care segment by launching perfumes, hair care and skin care products. Moreover, it is planning to open ten exclusive retail outlets in various cities across the country in next two years.</p> <ul style="list-style-type: none"> (i) Identify the two factors affecting the fixed capital needs of the company in the above paragraph. (ii) State, why is the management of fixed capital considered to be an important for a business? 	6
25.	<p>Arvind is planning to start a company manufacturing room fresheners. He intends to use natural fruit extracts for adding fragrance to them. He estimates an investment of ₹ 20 crores to set up the factory. As it is difficult for him to raise the entire capital amount alone, he gives a partnership offer to his school friend, Sanjay who is an angel investor. Sanjay, after being convinced about the feasibility of the project, accepts his offer. Sanjay tells Arvind that they should also focus on other important decisions related to the product ‘room fresheners’ besides deciding about its features, variety and quality. Branding is one of the important such decision.</p> <ul style="list-style-type: none"> (i) Name any other two important decisions related to a product. (ii) Why is branding considered as an important function by the marketers? Explain any one reason in support of your answer. (iii) State any four features of a good brand name. 	6

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