
BUSINESS STUDIES

QUESTION PAPER FOR 2018-19 CBSE
BOARD ANNUAL EXAMINATION
(STRICTLY BASED ON CURRENT SAMPLE
PAPER PATTERN)

DR. MADHU GABA (Ph.D. in commerce)

CLASS XII

Business Studies

Model Test Paper – 1

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** to **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. How does management help in increasing efficiency? **[1]**

2. A manufacturing company has a target of 200 units a day per worker. Till two months back it was achieving the target but now production is in the range of 150-160 units a day per worker. Name the function of management which helped to identify this fact. **[1]**

3. Define capital structure.

OR

What are the two major alternative mechanisms for allocation of funds? **[1]**

4. Name the principal given by Taylor which is an extension of the principle of 'Harmony not discord'. **[1]**

5. Give any one importance of organising. **[1]**

6. Enumerate various elements of directing.

OR

Name the incentive in which the shares of a company are issued to employees at a cheap rate. **[1]**

7. Give an example of employee recognition programme.

OR

How does staffing help to ensure optimum utilisation of resources? **[1]**

8. Define stock exchange. **[1]**

9. What do you mean by price rigging?

OR

Give the meaning of allocation function of financial market. State the consequences of this function. [3]

10. How does planning reduce the risk of uncertainty? [3]

11. 'Equal pay for equal work for male and female workers' refers to an example of a pay component of general environment of business. Name and explain the component.

OR

'Organisation is important because of (a) Adaptation to change, and, (b) Effective administration'. Explain briefly. [3]

12. Directors of a company want to modernize its plant and machinery by making a public issue of shares. They wish to approach stock exchange, while the finance manager prefers to approach a consultant for new public issue of shares.

Advise directors whether to approach the stock exchange or a consultant for new public issues of shares and why? Also advise about the different methods which company may adopt for new public issue of shares. [3]

13. What different measures can be used to overcome the barriers to communication? Explain briefly.

OR

How do the semantic barriers affect the communication? [3]

14. "Internal sources of recruitment are better than external sources of recruitment." Do you agree with this statement? Give reasons to support your answer. [4]

15. Discuss Maslow's Need Hierarchy theory of motivation. [4]

16. "Planning is fundamentally choosing and a planning problem arises when an alternative course of action is discovered." Explain this statement .

OR

"Raghuram Electronics plans to sell its new television set under the exchange scheme. Which type of plan is it? Explain. [4]

17. "Companies that fail to adapt to their environment are unlikely to survive in the long run." Explain with the help of an example.

OR

State any four features of business environment. [4]

18. The production manager instructs a sales man to go slow in selling the products whereas the marketing manager asks him to Last selling to achieve the target. Identify and explain the principle of management being violated? [4]

19. 'Coordination is the essence of management'. Explain. [4]

20. "Management is the art of getting things done through other people". Explain the importance of management in the light of this statement. [5]
21. Explain the rationale of the government behind demonetization in the year 2016.

OR

Explain impacts of government policy changes on business and industry. [5]

22. Garima was a student of Commerce in class XII. Her father was a farmer, who grew different varieties of wheat and was well versed about various aspects of wheat cultivation. He was also selected by the government for a pilot-project on wheat cultivation. As a project she decided to study the feasibility of marketing good quality wheat at reasonable price. Her father suggested to her to use internet to gather customers' views and opinions. She found that there was a huge demand for organic-packed wheat. She knew that there were no pre-determined specifications in case of wheat, because of which it would be difficult to achieve uniformity in the output. To differentiate the product from its competitors, she gave it the name of 'Mahan-organic-wheat' and classified it into three different varieties namely—Popular, Classic and Supreme, based on the quality. She felt that these names would help her in product differentiation.

Explain the three functions of marketing, with reference to the above paragraph. [5]

23. 'Rahul 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 organization 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 ICICI 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. [6]

24. Explain the following principles of management :

- (a) Harmony, not discord
- (b) Discipline.

OR

Explain any four characteristics of principles of Management. [6]

25. The workers of 'Kriti Ltd.' are unable to work on new computerized machines imported by the company to fulfill the increased demand. Therefore the workers are seeking extra guidance from the supervisor and the supervisor is overburdened with the frequent calls of workers.

Suggest how the supervisor, by increasing the skills and knowledge of workers, can make them handle their work independently.

Also state any five benefits that the workers will derive by the decision of the supervisor . [6]