

# CLASS XII

## SAMPLE PAPER

### BUSINESS STUDIES

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#### General Instructions: -

1. Answers to questions carrying 1 mark may be from one word to one sentence.
2. Answer to questions carrying 3 marks may be from 50 to 75 words.
3. Answer to questions carrying 4-5 marks may be about 150 words
4. Answer to questions carrying 6 marks may be about 200 words.

1. Saurabh decided to start a chocolates manufacturing business. He set the target of earning 10% profit on sales in the first year. As a good businessman, he was concerned about the future of the business, which was uncertain. He gathered information that the demand for chocolates is increasing day-by-day. He used this information as the base for future planning and shared it with his team. On the basis of the gathered information, he scheduled a meeting in the following week to find innovative ways to achieve the objectives. List the first two steps, which have been followed by Saurabh that are related to the process of one of the functions of management. 1
2. Cost of debt is less than cost of equity. Still a company cannot go with entire debt. Why? 1
3. What do you mean by staffing? 1  
Or  
What do you mean by training?
4. What is controlling? 1  
Or  
What is management by exception?
5. What do you mean by bull? 1
6. What is marketing management? 1
7. What is co ordination? 1
8. What do you mean by accountability ? 1

9. Sandhya is a successful manager at Manisons Enterprises. She has a team of twelve people working under her. She encourages them to set their own objectives and take decisions. She respects their opinions and supports them, so that they can perform their duties and accomplish organisational objectives. To manage and exercise effective control she uses forces within the group.  
As an intelligent manager, at times, she also makes use of positive aspects of informal communication. This way, she is able to unify diverse interests and ensure that targets are met.  
(a) There are many theories and styles of influencing people's behaviour. Identify the style used by Sandhya which is based on the use of authority & also explain it. 1+2
10. '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 Rs. 4 lakh equity shares in the price band of Rs. 430 – Rs. 445 each. As per the guidelines of SEBI, the company has provided a complete disclosure of the relevant details in its prospectus. 1. Identify and explain the right of the consumer being fulfilled by the directives of SEBI in the above mentioned case. 2. Briefly explain any two points highlighting the importance of consumer protection from the point of view of the businessmen.1+2
11. Visions Ltd. is a renowned multiplex operator in India. Presently it owns screens in properties at locations in the country. Considering the fact that there is a growing trend among the people to spend more of their disposable income on entertainment two years back the company had decided to add more screens to its existing set up and increase facilities to enhance leisure food chains etc. it had then floated an initial public offer of equity shares in order to raise the desired capital.  
The issue was fully subscribed and paid. over the year the sales and profits of the company have increased tremendously and it has been declaring higher dividend and the market price of its shares has increased manifolds. In context of the above case: .name the different kinds of financial decisions taken by the company by quoting lines from the paragraph.3
12. Manvendra always went to a specific shop to buy all consumable and non-consumable goods. In this shop, a variety of products of different brands were displayed nicely and the sales person available also gave good sales presentations if required. But this shop was quite far-off from his residence. His friend Annant always wondered why Manvendra wastes so much time in going to that shop whereas there were many big brand shops situated near his residence having consumable and non-consumable goods. Annant asked Manvendra the reason of going to the particular shop. Manvendra told that he was exercising one of his rights which he could not exercise in nearby big brand shops.  
State the consumer's right which Manvendra had exercised. 3
13. The Trading Procedure on Stock Exchange has been replaced by on-line screen based electronic trading system. This is mainly done to eliminate problems like theft, fake/forged transfers, transfer delays and paper work associated with share certificates or debentures in physical form. This is a process where securities held by the investor in the physical form are cancelled and the investor is given an electronic entry or number so that he/she can hold it as an electronic balance in an account.  
This has increased the equity cult among the people.  
1. Identify and state the process mentioned above.

2. What is the most important requirement for the process identified in (a)? State. 2+1
14. During navratras, Varun finalizes a deal to buy a new house. So, he visits a nearby branch of ‘Subh Bank’ to withdraw Rs. 10 lakhs from his account in order to pay the token money to the seller. In the bank he observes that a large number of customers are present to make cash withdrawals, probably because it is an auspicious time to make purchases. After sometime, he overhears one of the bank staff members telling his colleague that, “Today ‘Subh Bank’ is likely to fall short of cash and to make up for the deficit and maintain its cash reserve ratio it will have to approach another bank.”  
In context of the above case: 1. Identify the instrument that ‘Subh Bank’ will use to meet its short term requirements of funds. 2. State any three features of the instrument as identified in part (a). Also explain one more instrument. 1+3
15. Palvinder, is working as a supervisor in Alpha Ltd. To achieve the target he wants to try a new method and different way of allocating the work. His superior did not permit him and forced him to do the work strictly as per the plan. (i) Name the limitation of planning indicated in above case & explain three more. 1+3
16. Aradhana and Gandharv are heads of two different departments in ‘Yumco Ltd.’ They are efficient managers and are able to motivate the employees of their respective departments to improve performance. However, their drive to excel in their own sphere of activity instead of giving emphasis on objectives of the enterprise has hindered the interaction between the departments that Aradhana and Gandharv are heading. Often there are inter-departmental conflicts and they have become incompatible. This has proved to be harmful in the fulfilment of the organisational objectives.  
The situation has deteriorated to such an extent that the CEO of ‘Yumco Ltd.’ has hired a consultant, Rashmi, to resolve the problem. After studying the situation closely, Rashmi found that the problem has arisen due to inflexibility and a narrow perspective on the part of both Aradhana and Gandharv. She is of the view that this situation is a result of the type of organisational structure ‘Yumco Ltd.’ has adopted. From the above information, identify the organisational structure adopted by ‘Yumco Ltd.’ and state any three advantages of the structure so identified. 1+3
17. Esha works as the cost and risk management head of a company in power sector. As a result of her excellent managerial competence, the company is able to reduce costs and increase productivity. The company belongs to infrastructure sector, wherein regular amendments are made in the government regulations and policies. She holds regular meetings to ensure that people in her department are not only aware of the related changes but are also able to adapt to these changes effectively.  
This helps the company to maintain its competitive edge. She motivates and leads her team in such a manner that individual members are able to achieve personal goals while contributing to the overall organisational objective. In the process of fulfilling her duties for the growth of the organisation, she helps in providing competitive services, adopting new technology, creating more employment opportunities etc. for the greater good of the people at large.  
In context of the above case:

Identify the various reasons that have made management so important by quoting lines from the paragraph.4

18. Over the years, e-business in our country has witnessed tremendous growth due to several reasons. There is significant improvement in the Information Technology infrastructure over the last decade as the Government has taken important steps in high-speed Internet connectivity. As a result, the broadband networks have not only become better but also more affordable. Additionally, Government is trying to make rural India connected through broadband – a great possibility for e-business to expand the retail market by reaching out to the most remote rural customer. Another catalyst strengthening the e-business segment is the country's favourable demography. It has more than 50% of its population below the age of 25 and more than 65% below the age of 35. It is expected that, in the year 2020, the average age of an Indian will be 29 years, compared to 37 for China and 48 for Japan, this promises for phenomenal increase in e-business. Moreover, the penetration of the smartphone in a large section of the population has aptly addressed the problem of compute illiteracy. Not with standing the fact that consumers also prefer e-business due to multiple factors like convenience, time etc. Identify and explain the various dimensions of business environment being referred to in the above case.4
19. Mr. Vikas Mehra was the Chairman of IBM Bank. The bank was earning good profits. Shareholders were happy as the bank was paying regular dividends. The market price of their shares was also steadily rising. The bank was about to announce the taking over of 'UK Bank'. Mr. Vikas Mehra knew that the share price of IBM 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 friends Mukand and asked him to invest Rs. 4 crores in the shares of his bank promising him the capital gains. As expected, after the announcement, the share prices went up by 50% and the market price of Mukand's shares was now Rs. 6 crores. Mukand earned a profit of Rs. 2 crores. He gave Rs. 1 crore to Vikas Mehra and kept Rs. 1 crore with him. On regular inspection and by conducting enquiries of the brokers involved, the Securities and Exchange Board of India (SEBI) was able to detect this irregularity. SEBI imposed a heavy penalty o Vikas Mehra. Quoting lines from the above paragraph, identify and state any two functions performed by the SEBI in the above case. 4
20. 'Konark Ltd.' is an electronic goods manufacturing enterprise situated in Shivpuri, Madhya Pradesh. It is earning a very low revenue in comparison to a competing electronic goods manufacturing enterprise, 'Nova Ltd.' situated in Mumbai. Both Konark's and Nova's operations are affected directly by the investors, customers, competitors and suppliers, which are unique to their respective locations. In addition to this, individual firms of this field are affected indirectly by the factors like the money supply in the economy, composition of the families, the technological changes, etc.  
(a) Identify the concept discussed in the above paragraph.

(b) Also, state any four points of importance of this concept. 5

21. Anju and Manju are good friends. Considering the fact that the activities involved in managing an enterprise are common to all organizations, after completing their masters in business management, both of them take up a job at managerial level in different organizations as per their individual areas of interest. Anju takes up a marketing job in a retail company and strives to increase sales whereas Manju joins an NGO and works diligently to realize its objective related to providing employment to specially abled persons.

Both of them have to perform a series of continuous, composite, but separate functions. On some days, Anju may spend more time in planning a future display layout and on another day, she may spend time in sorting out an employee's problem. Both Anju and Manju make conscious efforts to build a feeling of team spirit and coordination among diverse individuals with different needs who work under them. The effect of their management is noticeable in their respective departments as the targets are met according to plans, employees are happy and satisfied, and there is orderliness in its functioning rather than chaos.

In context of the above case:

Identify the various features of management highlighted in the above paragraph by quoting lines from it.5  
Or

Kartik joins a garment factory as a plant supervisor in Lucknow. He observes that the output of some workers is very low as compared to the standards set for their performance. On analyzing the reasons for the same, he finds out that a lot of time of the workers is wasted in getting the requisite materials issued from the store. Whereas on asking, the store keeper complains that there is no harmony in the working of the production department as a whole. Every day the workers approach him at the least minute to procure different kinds of threads, laces, mirrors, buttons etc. if it is not available in the store then he has to place an order with the purchase officer. As a result, a lot of time of the workers is wasted.

So, in order to integrate the various production activities, henceforth, Kartik ensures that the store keeper is informed well three days in advance about the requisite materials. Consequently, the store keeper is able to keep the materials ready for the workers every morning in accordance with their requirements. In context of the above case:

1. Identify and explain the quality of management that Kartik has introduced in the working of the production department as a corrective measure to control the output of the workers. 2. State briefly and two points highlighting the importance of quality of management identified in part (a).

22. Shreemaya Hotel in Indore was facing problem of low demand for its rooms due to off season. The Managing Director (MD) of the hotel, Mrs. Sakina was very worried. She called upon the Marketing Manager, Mr. Kapoor for his advice. He suggested, that the hotel should announce an offer of '3 days and 2 Nights hotel stay package with free breakfast and one day religious visit to Omkarehswar and Mahakaleshwar Temples'. The MD liked the suggestion very much.

Identify the promotional tool, which can be used by the hotel through which large number of prospective pilgrimage tourists, all over the country and also abroad, can be reached, informed and persuaded to use the incentive & also explain its 4 tools. 1+4

23. Flavours Ltd. was engaged in the business of making handmade chocolates. Lately, the business was expanding due to good quality and reasonable prices. As the demand was increasing, Flavours Ltd. decided to explore bakery products as well. In order to make bakery products the company directed its workforce to

work overtime but this resulted in multiple problems. Due to increased pressure the efficiency declined and the workers had to take orders from more than one superior.

Workers were overburdened and their health was also affected. Gradually the quality of the products begins to decline and market share also went down. The company realized that they had implemented changes without waiting for the required infrastructure.

Identify and explain the principles/technique of Taylor/Fayol referred to in the above para.6

Or

Hritik is desirous of setting up a small factory to manufacture different kinds of eco-friendly packaging materials. He proposes to adopt a logical approach to his business rather than hit and trial method as he knows that this can result in tremendous saving of human energy as well as wastage of time and materials. He plans to adopt paternalistic style of management in practice in order to avoid any kind of class-conflict that may emerge between him and the workers. Moreover, he plans to seek the opinion of his workers before taking any important decisions and also offers incentives to them for providing valuable suggestions for the business.

In context of the above case: 1. Identify and explain the various principle of scientific management that Hritik plans to apply in his business. 2. List any two values that he wants to communicate to the society by offering eco-friendly packaging material. Ans

24. Flipkart is an e-commerce company founded in the year 2007 by Sachin Bansal and Binny Bansal. The company is registered in Singapore, but has its headquarters in Bangaluru, India. The company seeks to increase traffic (more clicks on their products) and boost sales and revenue through integration of Mobile Apps, Display, Pay Per Click and search Engine Optimization. In order to dispel the feat of people related to shopping online, Flipkart was the first company to implement to popular 'Cash on Delivery' facility. All the products sold by the company under a particular category may have different return/replacement period. Flipkart allows multiple payment options such as cash on delivery, credit or debit card transactions, net banking, e-gift voucher and card swipe on delivery.

The company operates both ways when an order is received. The products for which it holds inventory are dispatched by it directly. For the products they do not store in inventory, they just send the order received by them to the supplier who ships it. The company plans to spend about Rs. 75 crores on e-Commerce advertising in the year 2016. Flipkart reserves the right to terminate your membership and/or refuse to provide you with access to the website if it is brought to Flipkart's notice or if it is discovered that you are under the age of 18 years. This is because as per the Indian contract Act, 1872, the minors, un-discharged insolvents, etc. are not eligible to use the website.

In context of the above case, identify and explain the different types of plans being used by Flipkart by quoting lines the paragraph.6

25. Explain casual callers, placement agencies, direct recruitment& employee recruitment. 6

Or

Explain activities related to trade.

26. Anurag, aspires to work with a socially and environmentally committed company as he does not want to work just for monetary benefits but also the brand value of the company he works for in the society matters a lot to him. Therefore, he has joined Cerebra Integrated Technologies a Bengaluru-based Infotech company. The company has built India's largest e-waste recycling plant. The company strives to be one of the leading players in this business which has huge potential not only in terms of generating huge revenues and profits but also wants to contribute to the environment issues that have become crucial worldwide. The company sees big business in the mountains of e-waste in Bengaluru which produces 2,00,000 tonnes of e-waste a year.

The company plans to make its millions by extracting metals such as gold and platinum from the e-waste piling up in the city. As a mobile phone, for example, is made up of a combination of rare earth and precious metals: it contains 250 mg of silver, 24 mg of gold and nine mg of palladium while a laptop has 1,000 mg of silver, 220 mg of gold and 500 grams of copper. To start the business, the company has obtained a licence from KSPCB (Karnataka State Pollution Control Board).

In context of the above case:

1. Identify the various dimensions of business environment being referred to by quoting lines from the paragraph.
2. List any two values which the company wants to convey to the society.4+1

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