

Pre Board Examination 2019-20
Class: XII
Subject: BUSINESS STUDIES

Time Allowed: 3 hours

Maximum Marks: 80

General Instructions:

1. This question paper contains five sections-A, B, C, D and E
 2. Section A Contains questions 1 to 20 carrying one mark each. Answers to these questions may be given in one word or a sentence.
 3. Section B Contains questions 21 to 25 carrying one mark each. Answers to these questions may be given in 50-75 words.
 4. Section A Contains questions 26 to 28 carrying one mark each. Answers to these questions may be given in 120 words.
 5. Section A Contains questions 29 to 31 carrying one mark each. Answers to these questions may be given in 150 words.
 6. Section A Contains questions 32 to 34 carrying one mark each. Answers to these questions may be given in 200 words.
 7. There is no over-all-choice in the question paper; however an internal choice has been provided in 1 question of three marks; 1 question of four marks, 2 questions of five marks and 2 questions of six marks. You have to attempt only one of the choices in such questions.
-

SECTION-A

1. At what level of management, managers are responsible for the welfare and survival of the organization? 1

(a) Top Level	(b) Middle Level
(c) Lower Level	(d) All the levels

2. Ms. Purnima Jain was engaged in the business of carpet marking. Since 1 company was making handmade carpet as well as machine made carpet. There were lot of overlapping of activities, so the production manager

advised that there should be two separate divisions for both of them where in each division should have its own in-charge, plans and execution.

Identify the principle of management insisted by production manager.

- (a) Unity of Direction
- (b) Division of Work
- (c) Order
- (d) Esprit De Corps

3. Name the term/process under which reduction in tax rates and lifting of unnecessary control over the economy was undertaken.

- (a) Globalization
- (b) Economic Environment
- (c) Liberalization
- (d) Political Environment

4. What type of plan is defined as long range blue print of an organization's desired image, direction and destination?

- (a) Policy
- (b) Objective
- (c) Programme
- (d) Strategy

5. Name the type of plan which provides directions for all decisions, and actions.

- (a) Method
- (b) Policy
- (c) Objective
- (d) Procedure

6. Mr. Naman Prajapat a sole proprietor was running food catering business in north Uttar Pradesh. He got great success and profit margin in this business. Due to excess demand in the market he expanded his business and separated departments as purchase, production, finance and marketing. Which type of organization structure would you suggest him?

- (a) Divisional Structure
- (b) Informal Organization
- (c) Functional Structure
- (d) None of the above

7. In which type of organizational structure fixation of accountability is difficult?

- (a) Formal Organization
- (b) Divisional Structure
- (c) Functional Structure
- (d) None of the above

8. CBC Private Ltd. is a company manufacturing school bags. The company had a functional structure with four main functions – Production, Marketing, Finance and Human Resource. As the demand for the products grew, the company decided to hire more employees. Identify the most appropriate concept which will help the human resource manager in identifying the types of human resources necessary for the performance of various jobs and accomplishment of organizational objectives. 1

- (a) Staffing (b) Workload Analysis
 (c) Workforce Analysis (d) Recruitment and Selection

9. Name the incentive in which employees are offered company’s share at a lower price than market price. 1

(a) Co-partnership	(b) Perquisites
(c) Job enrichment	(d) Profit sharing

10. In the absence of conveniences like social get together, complaint box, task force etc.; which barrier comes during effective communication? 1

- (a) Organizational Rules (b) Organizational Policy
 (c) Organizational Behaviour (d) Organizational Facilities

11. “If production cost increases by Rs. 5, it can be ignored. “- This term comes under which category: 1

- (a) Taking Corrective Measures (b) Management by Exception
 (c) Critical Point Control (d) Both (b) and (c)

12. Mr. Yogesh Bhavsar inherited a very large area of agricultural land in Chandigarh after the death of his grandfather. He plans to sell this piece of land and use the money to set up a small scale paper factory to manufacture all kinds of stationery items from recycled paper. He consulted friend Mr. Ramesh, who is working in a financial consultancy firm. Ramesh helped him to prepare a blue print of his future business operations. On the basis of sales forecast in next five years, based on these estimates he helped Rohan to assess the fixed and working capital requirements of business. 1

- (a) Financial Planning (b) Financing Decision

- (c) Financial Management (d) Financial Decision

13. Mr. Rasheed is the finance manager of Sudha Pvt. Ltd. In the current year, the company earned high profit. However, Rasheed that it is better to declare similar dividend as he is unsure about earning potential of the company in the coming years. 1

Rasheed's choice of dividend decision is based on which of the factor that affect it?

- (a) Stability of Dividend (b) Stability of earnings
(c) Cash flow position (d) Preference of shareholders

14. Name the two depositories in India. 1

- (a) NDSL and CDSL (b) NSDL and CDSL
(c) NSLD and CSDL (d) NSDL and CSLD

15. The settlement cycle in NSE is..... 1

- (a) T+2 (b) T+3
(c) T+5 (d) T+7

16. Which term is called as bundle of utility? 1

- (a) Place (b) Price
(c) Promotion (d) Product

17. Identification, Classification and Promotion are the functions of..... 1

- a) Labeling (b) Branding
(c) Packaging (d) Marketing

18. The channel used during teleshopping is 1

- (a) Zero Level Channel (b) Two Level Channel
(c) One Level Channel (d) Three Level Channel

19. Mrs. Reeta Sahoo wants to buy a packet of juice. As an aware customer how can she be sure about the quality of juice she plans to buy? 1

- (a) ISI
- (c) AGMARK

- (b) FPO mark
- (d) Cash Memo

20. Ms. Payal purchased a Juicer Mixer Grinder from an electronic store and got the cash memo of Rs. 1800/- which she paid for it. Later, she found that the actual price of the item was Rs. 1200/- but the shopkeeper had pasted a sticker of Rs. 1800/- on the original price. Can Payal recover the extra money that she paid? 1

[YES / NO]

SECTION-B

21. Which function of management fills the jobs created by organizing function? State any two points of importance of identified function of management in the above question. 3

OR

Name the term which refers to equipping the employees with the skill necessary to perform the job. Also State any two benefits of identified term.

22. Sanskrati was a regional sales manager in 'RAB Textile Private Ltd' for ten years. On the retirement of the marketing manager Sanskrati applied for the same post as she was extremely ambitious and had dedicated all her energies to obtain the post of marketing manager. However, the top management of the company decided to fill this post by selecting a better person from outside the company. Because of this Sanskrati was heart-broken and her performance declined. When the new marketing manager joined, one of her major problems was how to motivate and inspire Sanskrati to her former level of performance? 3

Suggest any three non-financial incentives that the new marketing manager may use to motivate Sanskrati.

23. Mr. Piyush is the CEO of "The Anheuser-Busch InBev", one of the world's most successful companies. His success stories have been well documented. He chooses highly motivated and capable managers who can perform their 3

tasks creatively and adequately without his help. He allows the group members to work on their own tasks and resolve issues themselves.

He intervenes, but only when needed to correct an unfavorable situation. He does not use power unless it is absolutely essential. He even allows mistakes to happen for his people to learn from them. He supports them and supplies them the required information to complete the assigned task.

(a) Identify the leadership style adopted by Piyush.

(b) With the help of a diagram, explain the other one leadership style based on the use of authority.

24. 'Marico Industries Ltd.', is manufacturing chocolates, biscuits, cakes and other similar products. The company is not generating enough profits. Norbert J., The Marketing manager of the company got a survey conducted to find out the reasons. The finding of the survey revealed that in spite of better quality, the customers were not able to distinguish the products of the company from its competitors. Though the customers wanted to buy the products of 'Marico Industries Ltd.' again and again because of its goods quality, but they were not able to identify its products in the market. Because of this, the sales of the company could not pick up resulting in inadequate profits. 3
- Norbert J., the Marketing manager now realized that 'Marico Industries Ltd.' had forgotten to take one of the most important decisions related to the product.
- What decision should 'Marico Industries Ltd.' take so that its customers are able to identify its products in the market? Explain the benefits that may result to 'Marico Industries Ltd.' and its customers if the above decision is taken.

25. State any three components of Physical Distribution? 3

SECTION-C

26. Janardhan Reddy completed his MBA at a reputed business school in Lucknow. He was impressed by the Principles and Techniques of Scientific Management Developed by F.W. Taylor. On completing his MBA, he wanted to apply Scientific Management in his family's business of fast food chain of restaurants named 'Yammi! Brands'. His main goal was to reduce costs with increased output. To begin with, he wanted to develop a standard method which would be followed throughout the organisation. So, he investigated 4

traditional methods through work study and unified the best practices. The standard method, i.e. the best way of doing the job was then developed taking into account all parameters right from the procurement of raw materials till the delivery of the final product to the customer. Janardhan Reddy also believed that each person should not only be scientifically selected but should also be given the required training to increase efficiency.

For this, he set up a Special Training Unit called 'Hamburger' in Chennai where the workers were given the required training to increase efficiency.

For this, he set up a workers were given the required training to learn the best method. At the factory, the ingredients making up a burger were strategically placed to reduce the time taken for excess movements. The standard time and other parameters were determined on the basis of work study and Janardhan Reddy rewarded the workers for meeting the standard output.

Now, 'Yammi! Brands' has standardized processes, raw material, time, machinery, product and working conditions that ensure the food they send out to their customers has the same high standards of excellence and level of quality in every chain or franchise.

The application of Scientific Management to every aspect of restaurant operations led to 'Yammi! Brands's widespread success. Quoting the lines from the above, explain the Principles and Techniques of 'Scientific Management' used by 'Yammi! Brands'

27. "Put simply, decentralization refers to delegation of authority throughout all the levels of the organization." In the light of the above statement give the meaning of and difference between Delegation of Authority and Decentralization. 4

OR

Differentiate between 'Formal' and 'Informal' organization.

28. (a.) Name the product for which the following certification mark is used: 4



(b.) State any three responsibilities that a consumer must keep in mind while purchasing gold jewelry.

SECTION-D

29. 'The Indian corporate sector has come face to face with several challenges due to government policy changes in business and industry. Explain any five such changes. 5

OR

What is Business Environment? Explain any four points of importance of business environment.

30. Textile manufacturer "Arun Shiva Syncotex Pvt. Ltd." reported 43% fall in its profits in the fourth quarter ended 31 March 2017, which is beyond the acceptable range 25% decided by the company. This was due to higher fuel cost and lower yield on account of demonetization. 5

The company aims to implement cost saving measures by restructuring contracts and its business processes to meet its targets in the future.

A. Name the function of management discussed above.

B. Also identify and explain the steps of the function of management discussed above.

31. These days, the development of a country is also judged by its system of transferring finance from the sector where it is in surplus to the sector where it is needed most. To give strength to the economy, SEBI is undertaking measures to develop the capital market. In addition to this there is another market in which unsecured and short-term debt instruments are actively traded every day. These markets together help the savers and investors in directing the available funds into their most productive investment opportunity. 5

(a) Name the function being performed by the market in the above case.

(b) Also, explain briefly three other functions performed by this market.

OR

'Bagayat Sahkari Mandali ltd' is a company engaged in the production of packaged juice since 2010. Over this period, a large number of competitors have entered the market and are putting a tough challenge to 'Bagayat Sahkari Mandali ltd'. To face this challenge and to increase its market share, the company has decided to replace the old machinery with an estimated cost of Rs.100 crores. To raise the finance, the company decided to issue 9% debentures. The Finance department of the company has estimated that the cost of issuing the 9% debentures will be Rs10, 00,000. The company wants to meet its floatation cost.

- (a) Explain the instrument that the company may issue for this purpose.
- (b) In which type of financial market, is the instrument explained in (a) above traded? Also explain how safe the instruments are in this market.

SECTION-E

- 32. (a.) Name the concept which establishes an effective environment for people operating in formal organizational group. Also it is the process by which a cooperative group directs actions of others towards common goals. 6
(b.) Explain how is the identified concept a multidimensional activity.

- 33. On the introduction of Goods and Services Tax Act, the experts in the field of business started analyzing and forecasting its impact on various sectors and industries. Mr. Ashutosh Sharma, an established businessman, attended a few seminars and conferences organized by such expert to familiarize himself with his information. He wanted to use these forecasts to reduce the uncertainty in making decisions for the future in his business. 6
(a.) The above paragraph indicates one of the functions of the management. Also in the paragraph one step is mentioned of identified function's process.
(b.) Also mention four points of importance of the identified function.

OR

The process of Organising involves a series of steps in order to achieve the desired goals'. Explain these steps.

- 34. Explain briefly the following four factors which affect the choice of capital structure of a company. 6
 - a. Cash Flow Position
 - b. DSCR

- c. Tax Rate
- d. Risk Consideration

OR

- a. Cost of equity
- b. Regulatory framework
- c. ICR
- d. Capital Structure of other companies