

XII-Commerce Business Studies

Max. Marks: 80

Duration: 3 Hrs.

General Instructions:

1. There are total 34 questions. All questions are compulsory.
2. Que. no. 1 to 20 are 1 Mark each.
3. Que. no. 21 to 24 are 3 Marks each.
4. Que. no. 25 to 30 are 4 Marks each.
5. Que. no. 31 to 34 are 6 Marks each.

Section - A (20 Marks)

Multiple Choice Questions.

- Que 1. Which of the following feature of a profession is fully satisfied by management? [1]
- (A) Service motive
 - (B) Well defined body of knowledge
 - (C) Restricted Entry
 - (D) Ethical Code of Conduct
- Que 2. Pie Ltd. is dealing in fruit juices and hair oils. To ensure unity of action and coordination, it has made two separate divisions for each product. Each division has its own in charge, plans and execution resources. Thus, both the divisions are moving towards the same objectives through focused efforts. Identify the principle of management followed by Pie Ltd. in the above case. [1]
- (A) Esprit de corps
 - (B) Equity
 - (C) Unity of direction
 - (D) Authority and responsibility
- Que 3. Identify the dimension of the business environment illustrated by the picture given in which Bahul who has joined the workforce recently is working on an accounting software. [1]



- (A) Technological
- (B) Social
- (C) Political
- (D) Legal

- Que 4. "Gautam Ayurveda Ltd." is an established Indian company manufacturing organic consumer goods like toothpastes and shampoos. It has planned to increase its market share from 30% to 40% in the current financial year. With the expanding market of organic products, other companies in the consumer goods industry have also launched these products with organic components. The competition in the market has increased and it was found that the sales of Gautam Ayurveda Ltd. came down and

its market share was reduced to 23%. Identify the limitation of planning highlighted in the above case: [1]

- (A) Planning may not work in dynamic environment.
- (B) Planning is time consuming.
- (C) Planning involves huge costs.
- (D) Planning reduces overlapping and wasteful activities.

Que 5. 'While performing the organising function, jobs are allocated to the members of each department in accordance with their skills and competencies.' Identify the step in the organizing function being discussed above: [1]

- (A) Identification and division of work.
- (B) Departmentalisation.
- (C) Assignment of duties.
- (D) Establishment of reporting relationships.

Que 6. Identify the step in the process of staffing illustrated in the below picture. [1]



- (A) Recruitment
- (B) Estimating Manpower Planning
- (C) Interview
- (D) Placement and Orientation

Que 7. Which of the following statements is not true about Democratic style of leadership? [1]

- (A) The leader exercise more control by using forces within the group.
- (B) The leader encourages subordinates to participate in decision making.
- (C) The leader gives order and insists that they are obeyed.
- (D) The leader supports and respects the subordinates' opinions.

Que 8. Name the function of management which he the formulation of future plans, in the light problems that were identified and thus, he better planning in the future period. [1]

- (A) Planning
- (C) Directing
- (B) Organising
- (D) Controlling

Que 9. Which marketing management philosophy lays emphasis on bringing continuous improvement in the quality of the product? [1]

- (A) Production concept
- (B) Product concept
- (C) Marketing concept
- (D) Social marketing concept

Que 10. At Support.com, there is no reward or appreciation for a good suggestion. Thus, the subordinates are not willing to offer any useful suggestions to their superiors. Identify the type of barrier to communication that has been created in the firm due to this. [1]

- (A) Semantic barrier
 - (B) Personal barrier
 - (C) Organisational barrier
 - (D) Psychological barrier
- Ans. Option (B) is correct.

Que 11. Identify an important principle of management control in which only significant deviations which go beyond the permissible limit should be brought to the notice of management. [1]

- (A) Management by control
- (B) Control by exception
- (C) Critical point control
- (D) Both (A) & (B)

Que 12. Rita has set up a bakery 'Bakes and Cakes' in Pune. She receives online orders for cakes from within the city and supplies them on the same day. She set a target that she would earn a revenue of 5,00,000 in the first year. She informed her employees about the target and asked them to contribute ideas to achieve the same.

Rita has performed the first step in the process of one of the functions of management. The next step to be performed is: [1]

- (A) Identifying alternative courses of action
- (B) Setting objective
- (C) Developing premises
- (D) Follow-up action

Fill in the blanks.

Que 13. The purpose of _____ philosophy is to generate customer value at a profit. [1]

Que 14. _____ Level of management is responsible for the welfare and survival of the organisation. [1]

State whether the following statement is True or False.

Que 15. The principles of Management are not rigid Prescriptions which have to be followed absolutely. [1]

Que 16. **Assertion (A):** Gross domestic product of an economy is an example of economic environment.

Reason (R): Attitude of government towards different groups of societies is an example of political environment. [1]

Options:

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- (B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A)
- (C) Assertion (A) is true and Reason (R) is false.
- (D) Assertion (A) is false and Reason (R) is true.

Que 17. **Assertion (A):** Planning is futuristic.

Reason (R): Planning is concerned with the future which is certain and does not require forecast. [1]

Options:

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)

- (B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion
- (C) Assertion (A) is true and Reason(R) is false.
- (D) Assertion (A) is false and Reason(R) is true.

Que 18. **Assertion (A):** A proper organization structure is essential to ensure smooth flow of communication and better control over the operations of a business enterprise.

Reason (R): An organization structure provides the framework which enables enterprise to function as an integrated unit by regulating and coordinating the responsibilities of individuals and departments. [1]

Options:

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- (B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion
- (C) Assertion (A) is true and Reason(R) is false.
- (D) Assertion (A) is false and Reason(R) is true.

Que 19. **Assertion (A):** Recruitment is a tool to attract suitable applicants to apply for available jobs.

Reason (R): Promotion is a tool of training the employees to prepare them for higher jobs. [1]

Options:

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- (B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion
- (C) Assertion (A) is true and Reason(R) is false.
- (D) Assertion (A) is false and Reason(R) is true.

Que 20. **Assertion (A):** Directing is a key managerial function.

Reason (R): Directing is a managerial process which takes place throughout the life of an organization. [1]

Options:

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- (B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion
- (C) Assertion (A) is true and Reason(R) is false.
- (D) Assertion (A) is false and Reason(R) is true.

Section - B (12 Marks)

Que 21. Mitali has a successful ice cream business in Bikaner, namely 'Smart Flavours'. Her ice creams are utterly delicious. She makes ice creams from fresh milk and the same are available in a wide range of flavours and packs. She sets viable business objectives and works with the same in mind in order to ensure that the customers will come back for purchasing. Having the first mover advantage, her business was doing well. To earn higher profits, she started cutting down costs. This would sometimes lead to delay in delivery and the ice cream was not reaching the market in time. Over a period of time, the demand for her ice cream declined and because of it the competitors entered the market. She lost some of her market share to competitors. At the beginning of summer season, she got back-to-back orders for supply of 4,000 ice cream packs of different flavours for special occasions. To ensure that

the task was completed and orders delivered in time she hired additional workers. She was, thus able to produce and deliver the ice cream packs but at a high production cost. While completing activities and finishing the given task for achieving goals, Mitali realised that she was ignoring one of the important aspects of management.

Identify the aspect of management that has been ignored by Mitali. Also explain the same with the same with the help of an example. [3]

Que 22. “Principles of management nowadays have become an integral part for all types of successful business organizations.” in light of this statement present your comments regarding the reasons why management principles are needed?

OR

Explain any three techniques of scientific management. [3]

Que 23. Konarka Ltd.' is electronic goods manufacturing enterprise situated in Shivpuri, Madhya Pradesh. It is earning very low revenue in comparison to competing electronic goods manufacturing enterprise, 'Noval Ltd.' situated in Mumbai. Both Konarka's and Noval'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 and state the feature of the concept discussed in the above paragraph.

(b) Also, state any two points of importance of this concept. [3]

Que 24. Megnum Ltd. holds an Annual Management Programme every year in the month of March in which the top managerial personnel formulate plans for the next year by analysing and predicting the future to meet future events effectively.

As they are responsible for providing direction to the organisation, facts are thoroughly checked through scientific calculations. Detailed plans are prepared after discussion with professional experts. Preliminary investigations are also undertaken to find out the viability of the plan. Since it is an intellectual activity requiring intelligent imagination and sound judgement, it is mainly done by the top management. Usually rest of the members just implement the plans. Middle level managers are neither allowed to deviate from the plans nor are they permitted to act on their own. The top management ensures that the expenses incurred in formulating the plans justify the benefits derived from them.

State two limitations and one feature of planning discussed above. [3]

Section - C (24 Marks)

Que 25. The R&D department of Organical Beverages Ltd. has decided to diversify from manufacturing organic health drinks to cereals made from Ragi. The company will have to communicate to the people the benefits of eating Ragi so as to aid the sales of its product. Thus, they plan to sponsor various events like book launch, marathon, etc. and persuade people to switch to healthy eating and drinking through newsletters.

(a) Identify and explain the promotional tool being discussed in the case.

(b) Explain two other promotional tools that can be used by the company, apart from the one discussed above. [4]

Que 26. Give the meaning of Informal Organization state any three of its disadvantages. [4]

Que 27. 'Lingoto' is a highly reputed potato chips making company and many people wanted to join this company. The employees of this organisation are very glad and happy. One fine day, some of the

employees met in canteen in Lunch time and started discussing how they came in contact with this organisation.

Geeta said that she was introduced by the present Sales Manager, Sonakshi said that she had applied through the newspaper and was appointed as the H.R. Manager. Mohit said that he was neither related to any employee of the organisation nor was there any advertisement in the newspaper, even then, he was directly called from IIM Ahmedabad from where he was about to complete his MBA. Identify and explain the step in the process of staffing that has been discussed in the above paragraph.

OR

The workers of 'Gargya Ltd.' are unable to work on new computerised machines imported by the company to fulfil 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 three benefits that the workers will derive by the decision of the supervisor. [4]

Que 28. Explain Maslow's theory of Motivation. [4]

Que 29. Vinberi Ltd. set up a manufacturing unit at Bhiwandi at Maharashtra to manufacture electric geysers and supply them to dealers all over the country. Their production target was 500 geysers per week. It was decided by the management that variation in production up to 10 units would be acceptable.

At the end of the first week, the production was 450 geysers. The next week, production increased to 470 geysers. A week later, production was 460 geysers.

On investigation, it was found out that fluctuation in production was due to irregular supply of electricity.

(a) The above para discusses some of the steps of one of the functions of management. Explain the steps.

(b) Also, state the step(s) not discussed in the above para. [4]

Que 30. Mahindra Agro Ltd. started a new venture for distribution of harmless and chemical-free fertilizer vegetables. They conducted a survey to find out consumer preferences for such vegetables. They found that most of the consumers were concerned about the harmful chemicals being used in growing the vegetables. They found out that 90% of the households were searching for alternatives. The company contacted a group of agricultural experts to lay down the procedure for growing the vegetables by the farmers. They decided to train the farmers in new technology to grow chemical-free vegetables according to new innovative methods. The experts also suggested soil management techniques through which farmers would be able to create an abundant and lasting harvest.

Identify and explain the two dimensions of business environment highlighted in the above para. [4]

Section – D (24 Marks)

Que 31. Leevala Ltd. is a garment making company. It has recently decided to make the job environment better by redefining the workplace for the employees by designing jobs having greater variety of content. This has definitely increased the interest of employees in their work. This of the Company has earned a favourite mentioning in a national newspaper. The promotion policy of the Company has now been made more effective by allowing employees to grow to the higher levels. Many of the employees had earlier complained of fear of getting fired. The Company has clarified its stance on this and told them not to worry by assuring them permanency after crossing the ad hoc period of six months. With everything going right for the organisation the top management has started devoting a lot of time on special features of the internal environment which will distinguish the organisation

from other companies in the industry. The employees know that working in this organisation will only add to their good track record. The Company assures the employees a higher ranking in the organisational set up, provided one works hard, with authority, rewards, recognition and better perquisites. With such an effort, the organisation is geared to touch new heights.

Identify and explain any four non- financial incentives that have been highlighted in the above case.

[6]

Que 32. Two years ago, Sonalika completed her degree in food technology. She worked for some time in a company manufacturing chutney, pickles and murabbas. She was not happy in the company and decided to have her own organic food processing unit for the same. She set the objectives and the targets and formulated action plan to achieve the same. One of her objectives was to earn 10% profit on the amount invested in the first year. It was decided that raw materials like fruits, vegetables, spices, etc. will be purchased on three months' credit from farmers cultivating organic crops only. qat She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Akshat as a production Manager who decides the exact manner in which the production activities are to be carried out. Akshat also prepared a statement showing the number of workers that will be required in the factory throughout the year. Sonalika informed Akshat about her sales target for different products, area wise for the forthcoming quarter. While working on the production table a of 100 per day for not wearing the and apron was announced. penalty caps, gloves Quoting lines from the above and explain any four different types of plans discussed. para identify and explain any four different types of plans discussed in this case study.

[6]

Que 33. Explain the factors affecting the price of the product.

OR

State any six functions of Marketing from the management point of view.

[6]

Que 34. Mantra Ltd. is a leading Garment manufacturing company. With the help of proper delegation, it has enabled the existence of proper workforce to take up leading positions in several challenging projects. The company has been in news for good reasons related with innovation. Due to proper delegation the relationships between the superiors and the subordinates are properly defined at various levels leading to creation of a strong management structure. Last year it was awarded for good administration. Due to proper delegation, there is no overlapping of duties and duplication of efforts as there is clarity of working relationships. The company is acting as a role model for other players in the industry. The productivity of the organisation has improved as it is very organised. Specific jobs are done only by specific workers resulting in increase of efficiencies at individual levels. The company is now thinking of going global and has recently opened a branch in Australia. However, the conditions are going to be different there. Keeping in mind the strong organizing of the company it is expected that it will be able to modify its organisational structure and prove its superiority there also. Recently a meeting is held by the top management. It is decided that the organisation will go for a major shift in policy decision and involve the lower level of management in decision making. The size of the company is growing so it will require more participation from the employees.

(a) Identify and briefly explain the concept used by the company in the above case.

(b) Also, explain any four points of importance of the concept identified in (a) above.

[6]