



Sample paper-1 2020-21

Class: XII Sub: Business Studies Maximum Marks:80

General instructions:

- 1 This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Answer should be brief and to the point.
4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions carrying 4 marks may be about 150 words.
6. Answers to the questions carrying 6 marks may be about 200 words.
7. Attempt all parts of the questions together.

Sr No.	Questions	Marks
1.	Kunal opens a retail mart in a local market. As he knows it will be impossible for him to handle all work alone, he appoints Manak to perform tasks on his behalf thereby reducing his workload. This decision provided Kabir with more time to concentrate on important matters: (a) Delegation (b) Decentralization (c) Both (a) and (b) (d) None of the above	1
2.	“The company has built India’s largest e-waste recycling plant”. Identify the dimension of business environment. (a) Social Environment	1

	(b) Technological Environment (c) Legal Environment (d) Cultural Environment	
3.	_____ is the skillful and personal application of existing knowledge to achieve desired results. a) Profession b) Art c) Science d) Coordination	1
4.	“In India the lifestyles of the people are changing fast.” which dimension of business environment this feature relates to. a) Economic b) Social c) Political d) Technological	1
5.	Ramesh has produced 100 pieces of an item at a cost of ₹ 14.50 each against the standard set for producing 100 units at a cost of ₹ 15. He is _____. a) Smart b) Effective c) Efficient d) Effective and efficient	1
6.	“various factors of business environment affect each other.” Which feature of business environment is highlighted by this statement. a) General forces b) First mover advantage c) Business environment is a relative concept d) interrelatedness	1
7.	“Even after opening up of the Indian Economy in 1991 foreign companies found it extremely difficult to cut through the bureaucratic red tape to get permits for doing business in India, which created a negative impact on business.” Identify the dimension of the business environment which led to creation of the negative impact on business. (a) Social Environment (b) Technological (c) Political Environment (d) Legal Environment	1
8.	‘Even where members of a department willingly cooperate and work, a manager has to coordinate the efforts of different people in a conscious manner.’ Identify the characteristic of coordination discussed above.	1

	<p>(a) Coordination ensures unity of action  (b) Coordination is a deliberate function  (c) Coordination is a continuous process  (d) Coordination is an all-pervasive function</p>	
9.	<p>Name the function of management which is related to decide ‘when, why, what, where, who and how of an action.’</p> <p>a) Organising  b) Staffing  c) Directing  d) Planning</p>	1
10.	<p>_____ is also referred to as control by exception.</p> <p>a) Power by exception  b) Management by exception  c) Critical point control  d) Principle by exception</p>	1
11.	<p>_____ is the process of initiating implementation of plans by clarifying jobs and working relationships and effectively deploying resources for desired results.</p> <p>a) Planning  b) Organising  c) Staffing  d) Directing</p> <p>OR</p> <p>Name the organisation structure in which no department is responsible for end results.</p> <p>a) Informal  b) Formal  c) Organisational  d) Functional</p>	1
12.	<p>_____ concept is based on the assumption that ‘if an organisation produces a superior product, it will sell on its own.’</p> <p>a) Production concept  b) Product concept  c) Selling concept  d) Marketing concept</p> <p>OR</p> <p>“A company manufacturing shoes has opted to sell shoes through its own retail outlets.” Mention the type of channel of distribution which the company is using.</p> <p>a) Three level</p>	1

	<ul style="list-style-type: none"> <li>b) Two level</li> <li>c) One level</li> <li>d) Zero level</li> </ul>	
	<p><b>Read the following text and answer question No.13-16 on the basis of the same:</b>  Lokesh and litesh are two friends. They started a business of making affordable housing societies named as Ashiyana homes for underprivileged people. People invested ` 3000 crore into this project. Later on, it was discovered that they it was an illegal business and conducted various fraudulent activities in the company. The regulatory body has imposed a penalty of ` 400 crores on Ashiyana Homes Ltd. While imposing the penalty, the biggest in its history, the regulatory body said the company deserved “maximum penalty” for duping the common man. Its Prevention of Fraudulent and Unfair Trade Practices Regulations provides for “severe to severe penalties” for dealing with such violations. As per the norms of regulatory body, it can impose a penalty of ` 25 crore or three times of the profit made by indulging in fraudulent and unfair trade practices and in the present case, the regulator has imposed a fine equivalent to three times of the illicit gains. In the context of the above case:</p>	
13.	<p>Identify the regulatory body discussed in the paragraph.</p> <ul style="list-style-type: none"> <li>a) Bank</li> <li>b) Financial Institute</li> <li>c) Securities and Exchange Board of India</li> <li>d) Government</li> </ul>	
14.	<p>In which year was the identified regulatory body was established.</p> <ul style="list-style-type: none"> <li>a) 1999</li> <li>b) 1989</li> <li>c) 1988</li> <li>d) 1987</li> </ul>	1
15.	<p>In which year the identified regulatory body became a statutory body and worked as an independent body.</p> <ul style="list-style-type: none"> <li>a) 1992</li> <li>b) 1993</li> <li>c) 1994</li> <li>d) 1995</li> </ul>	1
16.	<p>The regulatory body was established for_____</p> <ul style="list-style-type: none"> <li>a) Protecting the interests of investors in securities</li> <li>b) Regulating the functioning of capital market</li> <li>c) Promoting and developing capita market</li> <li>d) All of the above</li> </ul>	1
	<p><b>Read the following text and answer question no.17-20 on the basis of the same:</b></p>	1

	<p>Yamuna Prasad, a small shopkeeper in Bikaner, Rajasthan used to sell the famous ‘Bhujia-Sev’. It was a quick selling product for locals and foreign tourists. His second generation expanded the business and got ‘Yamuna Ki Bhujia’ registered with concerned authorities. Gradually the brand offered a wide range of products to its customers like namkeen, sweets, bakery items etc. However, ‘Bhujia-Sev’ remained the most popular product of the brand creating maximum revenue. ‘Yamuna Ki Bhujia’ offered its products at competitive prices even while offering customer services like gift packaging and free home delivery to become a household name. Now it has virtually become a synonym for bhujia-sev in the market, so much so, that people ask for ‘Yamuna Ki Bhujia’ instead of bhujia-sev. ‘Yamuna Ki Bhujia’ has developed a strong distribution network in India and abroad by setting up retail outlets and reaching out to the customer through internet selling. Promotion of the brand had always been low profile, till the increase in competition pushed it to hire the services of a professional advertising agency, VIGYAPAN PVT. LTD. for promoting the product. On the advice of VIGYAPAN PVT. LTD., ‘Yamuna Ki Bhujia’ has also worked upon managing public opinion by developing relations with the masses through sponsoring cultural and sporting events, maintenance of public parks etc.</p>	
17.	<p>‘His second generation expanded the business and got ‘Yamuna Ki Bhujia’ registered with concerned authorities.’  With reference to the given text ‘Yamuna ki Bhujia’ is a _____ giving it a legal protection against its use by anyone else.</p> <p>(a) Brand value  (b) Trademark  (c) Trait mark  (d) Brand mark</p>	1
18.	<p>Yamuna Ki Bhujia’ offered its products at competitive prices even while offering customer services like gift packaging and free home delivery to become a household name.  Identify the factor affecting the element of marketing mix being discussed above.</p> <p>(a) Marketing methods used  (b) Objectives  (c) Extent of competition in the market  (d) product cost</p>	1
19.	<p>‘Yamuna Ki Bhujia’ has developed a strong distribution network in India and abroad by setting up retail outlets and reaching out to the customer through internet selling.</p>	1

	<p>Identify the decision related to the element of marketing mix being discussed above.</p> <p>(a) Storing and assorting products in order to create time utility  (b) Regarding the channels or using intermediaries  (c) Both (a) and (b)  (d) One regarding branding, packaging and labelling</p>	
20.	<p>On the advice of VIGYAPAN PVT. LTD., ‘Yamuna Ki Bhujia’ has also worked upon managing public opinion by developing relation with the masses through sponsoring cultural and sporting events, maintenance of public parks etc. Name the department in the organisation which is generally responsible for performing the above important task of managing public opinion.</p> <p>(a) Marketing Department  (b) A separate department created in the firm for the purpose  (c) An outside agency  (d) Any of the above.</p>	1
21.	<p>Identify the level of management whose basic task is to integrate diverse elements and coordinate the activities of different departments according to the overall objectives of the organisation. State any two functions of the level of management identified.</p>	3
22.	<p>Abhijeet is doing CA. He wants to do some training under some coach as to acquire real world knowledge and skills. He has two mentors with him. One mentor is from the college and the other is from the company. The idea is to give real knowledge about the corporate functioning.</p> <p>a) Identify the type of training involved  b) Explain any two other types of training form the identified form of training.</p>	3
23.	<p>“Controlling is an indispensable function of management. Without controlling the best of plans can go awry.” Do you agree? Explain any two reasons in support of your answer.</p> <p>Or</p> <p>Identify the step of controlling process applicable in the following cases:  (a) Sameer is keenly observing the quantity of capsules produced in a pharmaceutical company. He realizes that there is no need for any action to be taken as the deviations are within the acceptable limits. A daylater when he comes to work he finds the situation opposite to that of the previous day. This time the deviation was beyond the acceptable range and needed</p>	3

	<p>immediate action. He called his subordinates and told them that this should not happen again.</p> <p>(b) Kiara who is the owner of a company has decided to focus only on a few activities of her business. She considers that the rest of all activities are not critical to the performance of her company. One such areas he finds is of labour. The labour cost recently went up by 4% sending signals of coming danger. Now she will put her efforts to control this variation by arranging labour at a cheaper rate.</p> <p>(c) In a company a manager is trying to find out the deviation between the actual number of fans produced and the desired number. He already knows about the standard as the company has assigned him a definite quantity of fans to be produced.</p>	
24.	<p>What are the regulatory functions or SEBI.</p> <p>Or</p> <p>Distinguish between money market and capital market.</p>	3
25.	<p>Bake and Love Bakery sells cakes and cookies. Its products demand is high. As a result, the employees in the marketing department are always racing against time. The employees have to work overtime and on holidays to cater to the demand. Managers in the marketing department are under stress as they have to handle more than two territories. The work stress has led to dissatisfaction among the employees and managers.</p> <p>(a) Name and explain the step of staffing process which has not been performed properly.</p> <p>(b) State the next two stages immediately following the step identified in part (a).</p>	4
26.	<p>Explain semantic barriers of effective communication.</p>	4
27.	<p>What is formal communication? Mention any three limitations.</p> <p>OR</p> <p>Give the meaning of motivation and state the features of motivation.</p>	4
28.	<p>Explain any four factors that can affect the working capital requirement of a company.</p> <p>Or</p> <p>“It is the process of estimating the funds requirement of a business and specifying the sources of funds.”</p> <p>a) Identify and explain the concept.</p> <p>b) Give the twin objectives of the identified concept.</p>	4
29.	<p>Litesh is a IT professional. He has 10 years of experience in a MNC. He wants to start his own company with his wife Mayuri. Mayuri said the company may start</p>	4

	<p>manufacturing mobile phones with some unique features. Litesh felt that mobile phones are prone to quick obsolescence and a heavy fixed capital investment would be required regularly in this business. Therefore, he convinced his wife to start a stationery business.</p> <p>Identify the factor affecting fixed capital requirements which made Litesh choose the stationery business over mobile phones. Write other factors affecting fixed capital requirements.</p> <p>Or</p> <p>Which decision involves decision of choosing the right source of funds and right time? Explain the factors affecting the identified decision.</p>	
30.	<p>Arun purchased a dining table with four chairs from a furniture manufacturer for ₹ 48,000. At the time of purchase, the firm assured Arun about the quality of the said furniture and gave two years warranty stating that, if something goes wrong with the said product, the firm shall replace the same with the new one or refund the purchase amount. Some items of the furniture cracked and broke into pieces within 15 days. Arun requested the firm a number of times to replace the furniture. The firm neither paid attention to these requests nor replaced the furniture.</p> <p>Identify and explain the consumer rights which have been violated by the furniture manufacturer.</p>	4
31.	<p>Explain ‘Science, not rule of thumb’, ‘Harmony, not discord’, and ‘Development of each and every person to his or her greatest efficiency and prosperity’ as principles of Scientific Management given by F.W.Taylor.</p>	6
32.	<p>Beauty Care is a progressive company which has achieved new records in the field of Cosmetics. Recently the company decided to hand over the decision-making authority to the lower most level of employees. For this, the company went for a thorough planning. The positive results were noticed due to this change. The employees felt a lot of development in their skills and started taking first step to manage things on their own. Some major newspapers also covered this development. The production of the company increased. The company’s top management could now focus on new areas of innovation as the employees turned more reliable. One day, it so happened that the company’s manufacturing branch in North could not fulfill even half of its production target and the operations manager was held answerable for the assigned target. He was called in the office. When he was questioned, it was found that his right to command the workers were insufficient and it should have been more to create results. The management decided to listen to him and he was given more power. When he went to the shop</p>	6



	<p>floor he told the workers that the standard of behaviour of the workers should come from the official rules and procedures.</p> <p>A) Identify the function of management performed by Beauty Care. B) Explain the importance of identified function of management.</p> <p>Or</p> <p>A company needs a detailed plan for its new project which is construction of a shopping mall. What type of plan is it? What steps of planning will be considered to prepare this plan for the construction of a shopping mall?</p>	
33.	<p>An important difference between S&amp;M Ltd. and most other companies is that instead of operating as one large corporation it operates as 180 smaller companies each focused on a specific product and area, implying selective dispersal of authority, recognising the decision makers need for autonomy, as decision making authority is pushed down the chain of command. It enables the company to maintain short lines of communication with customers and employees, and accelerate the development of talent. Identify the philosophy that is being followed by S&amp;M Ltd. through which it is dividing the decision-making responsibilities among the hierarchical levels. State any five points of importance of the philosophy identified.</p>	6
34.	<p>Distinguish between advertisement and personal selling.</p> <p>Or</p> <p>Explain the functions of marketing</p>	6