INDIAN SCHOOL AL WADI AL KABIR

Sample paper-2 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 worlds.
- 5. Answers to the questions carrying 4 marks may be about 150 worlds.
- 6. Answers to the questions carrying 6 marks may be about 200 worlds.
- 7. Attempt all parts of the questions together.

Qs	Questions	Marks
.No		
1		1
	does not promote efficiency as employees perform similar tasks	
	a. Divisional structure	
	b. Functional structure	
	c. Span of Management	
	d. None of these	
2	Match the features of Business environment with	1
	a)Differs from country to country i) Complex	
	b)Difficult to grasp the change in its totality ii) Relative	
	iii) Dynamic	

3	In order to enter into profession one has to acquire an educational degree by clearing specified examination conducted by registered institutes. Which feature of profession is being revealed? a) Restricted entry b) Ethical code of conduct c) Professional association d) Well defined body of knowledge	1	
4	Correct example of political environment is	1	
	a Money supply b. Innovation and development		
	c. Change in preference and taste		
	d. Profile of political leaders		
5	Highlight the feature of management depicted by the image given here	1	
	T. Tagathar		
	T- Together		
	E-Everyone		
	A-Achieves		
	NA Maria		
	M-More		
	a) Group activity		
	b) Goal oriented		
	c) Pervasive		
	d) Dynamic		
6		1	
6	Understanding of business environment helps the firm to identify opportunities to get the	1	
	first mover advantage		
	a. First mover advantage		

	b. Specific and general forces		
	c. Threats and early warning signals		
	d. None of these		
7	The laws of mining rules and regulations licence required for running the business is an		
	example of.		
	a. Economic environment		
	b. political environment		
	c. social environment		
	d. legal environment		
8	Match the following features of coordination.		1
	a. Coordination is a deliberate functi	ion A) Coordination is the	
	b. Coordination integrates group effo	orts responsibility of all	
		the managers	
		B) A manager has to	
		coordinate the	
		efforts of different	
		people in a	
		Conscious manner.	
		C) Coordination unifies	
		Diverse Interests into	
		purposeful work	
		activity	
9	Name the only function of management which is performed by a leader		1
	a. Planning		
	b. Organizing		
	c. Directing		
	d. Staffing		
10	Match causes of deviation with cor	practive action	1
10	Whaten causes of deviation with cor	rective action	1
	a)defectivemachinery b)defective process	a)modify theexisting process b)improve the physical condition of work	
	Diagractive biocess	c)repair the existing machine or replace the	
		machine if it can,t be repaired	
11			1
11	Responsibility is one of the element	of	1
	responsibility is one of the element	VI	

	a. Decentalisationb. Delegation	
	c. Functional structure	
	d. Divisional structure	
	OR	
	Span of management refers to	
	~	
	a) Number of managers in an organisation	
	b) Length of term for which a manager is recruited	
	c) Number o subordinates under a superior	
	d) Number of managers in a top management	
12		1
	The main focus ofconcept is customer needs	
	a. Selling	
	b. Marketing	
	c. Product	
	d. Production	
	OR	
	The function of marketing which aims at dividing goods into different groups is	
	a. Grading	
	b. Standardisation	
	c. Branding	
	d. Packaging Read the paragraph given below and engager the questions from 12 to 16	
	Read the paragraph given below and answer the questions from 13 to 16	
	Ketan won a cash prize of Rs. 20,000 in the National level Robotics Competition. On the advise of his father, he visits a nearby bank to open a Fixed deposit account in his name	
	with the prize money. His sister Suhasini accompanied him to the bank. On reaching the	
	bank, he notices big banners which are placed within the premises containing information	
	about the various arrangements through which corporates may raise their capital through	
	the bank. Being a finance graduate, Suhasini explains to Ketan that banks play the role of	
	the financial intermediary by helping in the process of channelizing the savings of the	
	households into the most profitable business ventures.	
	In context of the above case:	
13	Name another financial intermediary that helps in the process of channelizing the savings	1
10	of the households into the most productive use	
	a. Financial Market	
	b. Stock exchang	
	c. SEBI	

	d. None of these	
14	Two major classifications of the identified intermediary are	1
	a) Money market and capital market	
	b) Primary market and secondary market	
	c) Debt market and Equity market	
	d) Whole sales market and retail market	
15		1
	Financial intermediary is a market for creation and exchange of	
	a. Financial Assets	
	b. Fixed Assets	
	c. Current Assets	
	d. None of these	
1.0		1
16	Financial intermediary act as link between and a. Savers and Investors	1
	b. Stock Exchange and SEBIc. Jobbers and Mercantile Banks	
	d. None of these	
	d. None of these	
	Read the paragraph given below and answer Questions from 17 to 20	
	ABC Crackers Ltd., a fire-cracker manufacturing company, launched some new products	
	on the eve of Diwali in the market which attracted many buyers. To meet the increasing	
	demand, the company employed people from nearby villages where there was a lot of	
	unemployment. Because of the good behaviour of the management with the employees,	
	more and more people wanted to join the company. As the products were in great demand	
	in the market, a competitor imitated the products. The products of the competitor were not	
	accepted by the consumers as it was a status symbol to buy the products of ABC Crackers	
	Ltd. because of their quality.	
17	Identify the element of marketing mix referred here	1
	a. Price	
	b. Promotion	
	c. Place	
	d. Product	
18	Identify the element-related decision because of which consumers preferred the products of	1
	ABC Crackers Ltd.	
	a Branding	
	a. Brandingb. Labelling	
	o. Laoching	1

	c. Packaging			
	d. Personal selling			
19	Match the following concepts of identified Mix along with the objective met by it		1	
	a. Packaging 1.Product Differentiation			
	b. labeling	2.Grading		
	c. Branding			
20	Which of the following is the right marketing mix for Crackers			
	I. Price, Place, Promotion, Process			
	II. Product, price, promotion, process			
	III. Product, price, process			
	IV. Product, promotion, price, place			
	Tv. Troduct, promotion, price, place			
21	Sridhar's father is working as a section in-charge in a government office. Identify the level			
	Sridhar's father is working as a section in-charge in a government office. Identify the level of management at which he is working? State any two functions that he has to perform at			
	this level.			
22	Blue Heavens Ltd. purchased a new machinery from Germany for manufacturing some		3	
	auto components. It was a cost-effective and quality production machine but during the			
	production process, manager observed that the quality of the production was not as per			
)	that there was lack of knowledge of using these		
		ngineers were required from Germany but this		
	resulted in high overhead charges.	1.11 1.11.11.11.11.11.11.11.11.11.11.11.		
		skills and abilities of employees for producing		
	quality products by using these hi-tech machines. Also state how the employees or the			
	organisation will be benefited by your sug	gestion(Ally 2)		
22	Nikhil gung a small dhabha an tha Isinua b	sighway. Ha is yory rigid and fallows a strict	3	
23	Nikhil runs a small dhabba on the Jaipur highway. He is very rigid and follows a strict policy of punishment like cutting the salary, stopping increments or giving job termination threats to his workers for any kind of discrepancies in their work. He does not seek advice			
or opinions from his workers, as he does not have any confidence on the competence				
	workers. Also, the workers are not willing to offer useful suggestions as they do not expect			
	any motivation or incentive for taking such initiatives. As a result, the labour turnover			
	high and his business has been adversely affected.			
	In the above context:			

- 1. Name and explain the style of leadership adopted by Nikhil.
- 2. Identify the various human needs of workers that are being overlooked by Nikhil as per the Maslow's need hierarchy theory of motivation.
- Incorporated in 1990, Raju Dairy Ltd., is one of the leading manufacturers and marketers of dairy-based branded foods in India. In the initial years, its operations were restricted only to collection and distribution of milk. But, over the years it has gained a reasonable market share by offering a diverse range of dairy based products including fresh milk, flavoured yogurt, ice creams, butter milk, cheese, ghee, milk powders etc. In order to raise capital to finance its expansion plans, Raju Dairy Ltd. has decided to approach capital market through a mix of Offer for sale of Rs. 4 crore shares and a public issue of Rs. 2 crore shares. In context of the above case:
 - 1. Name and explain the segment of capital market being approached by the company.
 - 2. Identify the two methods of floatation used by the company to raise the required capital. Give one difference between them.

OR

The Bombay Stock Exchange (BSE) is Asia's first stock exchange and the world's 11th largest stock exchange. It became the first stock exchange to be recognized by the Indian Government under the Securities Contracts Regulation Act. Its automated, screen-based trading platform called BSE On-Line Trading (BOLT) had a capacity of 8 million orders per day. The BSE has also introduced a centralized exchange-based internet trading system, BSEWEBx.co.in to enable investors anywhere in the world to trade on the BSE platform. In context of the above case:

- 1. Name the organisation that regulates the working of stock exchanges in India.
- 2. State any three functions performed by stock exchanges.
- 3. Give any two advantages of screen-based trading.
- Mrs. Rajlaxmi is working as the Human Resource Consultant in a firm that manufactures cosmetics, which is facing a problem of high employee turnover. The CEO of the company has invited suggestion from her for retaining the talented employees and reducing the employee turnover. Mrs. Rajlaxmi recommends that the good employees be rewarded in a way that it creates a feeling of ownership among the employees and at the same time, makes them contribute towards the growth of the organisation.

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1. Identify the incentive and explain its type which has been suggested by Mrs. Rajlaxmi to the CEO of the company.

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- 2. Also explain any three other incentives of the same type
- Google Inc. is an American multinational corporation that is best known for running one of the largest search engines on the World Wide Web (WWW). Every day, 200 million people use it. Google was named the 2014 "Best Company to Work For" by the Great Place to Work Institute and Fortune Magazine. The organization topped the list for the fifth time. The company hosts employee forums on all Fridays where there is an examination of the 20 most asked questions. Moreover, its employees can make use of any of a number of channels of expression to communicate their ideas and thoughts. Channels include Google+conversations, a wide variety of surveys, Fixits (24 hour sprints wholly dedicated to fixing a specific problem) and even direct emails to any of the Google leaders. In the above context:
 - 1. Identify the type of communication barrier being overcome by Google Inc. by providing a number of channels of expression to their employees to communicate their ideas and thoughts.
 - 2. Briefly explain any three other types of communication barriers.
- M/s Beta Ltd. deals in consumer goods. It employs 100 workers and 10 operative managers who give guidance and support to the workers while operating the machinery. The company has a policy of granting leave as per the requirement of the workers. Workers are generally granted leave on festivals and special occasions. Recently on Puja festival, it received a big order. Workers are keen to take Puja holidays while management is pressing hard for overtime. This matter was placed before the Personnel Manager who called the meeting of operative managers and workers to inform them about the changes in the incentive plan which states payment of double wages for working overtime and triple wages for working on holidays. Workers without any pressure voluntarily took limited holidays and were able to increase their earning by working overtime and on holidays. During Board of Directors meeting, Personnel Manager was asked to update the management for achieving higher output, meeting timely supplies without any confrontation with workers. Personnel Manager replied, "I just used a carrot with no sticks approach".

By quoting the lines from above paragraph state any two elements of directing OR

Roshan is the chief chef of 'Khidmat7 restaurant located in the city of Bangaluru. The place is known for its exquisite Mughlai cuisine especially mutton biryani and kababs. All the food is prepared under Roshan's purview. The various activities in the kitchen are initiated in accordance to his instructions. He is very clear and specific in issuing instructions to his

subordinates in order to ensure smooth working of the department. He personally oversees the method followed by the chefs for preparation of each dish. He misses no opportunity to praise his subordinates for their good work. All his team members feel very happy and satisfied under his direction. He provides constant guidance to them in order to improve upon its taste and presentation and also encourages them to innovate and be more creative in their work.

In the above context:

- 1. Identify the various elements of directing mentioned in the above paragraph by quoting lines from the paragraph.
- 2. Describe briefly any two points to highlight the importance of directing as a function of management

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Bharat Steel Ltd., an Indian company producing 50 million tonnes of steel annually and generating revenue of 38 billion US dollars has recently acquired the 5 second largest steel producing company, 'German Steels.' After this acquisition Bharat Steels Ltd. will become the World's largest steel producer. For this acquisition Bharat Steels Ltd. had to arrange about 50,000 crores of rupees through debt and equity. State the function performed by the company for arranging the funds through debt and equity. Also state three factors affecting the decision

OR

'Abhishek Ltd.' is manufacturing cotton clothes. It has been consistently earning good profits for many years. This year too, it has been able to generate profits. There is availability of enough cash in the company and good prospects for growth in future. It is a well-managed organisation and believes in quality, equal employment opportunities and good remuneration practices. It has many shareholders who prefer to receive a regular income form their investments.

It has taken a loan of Rs.50 lakhs from I.C.I.C.I 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 of the profits 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.

Raghav is trying to co-ordinate the functioning of various departments like sales and production. He has been trying to do this with the help of a concept of financial management. He quite often calls people of both departments and tells them to work within means. He has even prescribed a budget for it. During the time, when he is doing a lot of analysis he connects the decision of present with the outcomes of future. This can especially he seen in two of the prominent decisions. One is the investment and the other is the financing decision- so the interlinking of these two decisions is assumed by him. When

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the year ends it is easy for him to take some strong decisions. This happens because he is able to evaluate the performance of various departments in terms of revenue generated and the expenses incurred. No business is risk proof. However, he knows that at least business shocks which a business can suffer can be minimised thus laying foundation for a better future. His involvement in the work is definitely appreciable.

- 1. Which concept of financial management has been highlighted in the above case?
- 2. Identify the importance of this concept highlighted in the above case.

OR

KJ Ltd. is manufacturing trucks at its manufacturing unit in Kolkata. The demand of its trucks is high as the economic growth is about 7% to 8%. The company has estimated a 20% increase in the demand of its trucks. It is planning to set up a new truck manufacturing unit. For this the company will require approximately Rs 2,000 crores as fixed capital and Rs2 50 crores as working capital. The company has already arranged for its fixed capital. State any four factors that the finance manager of the company should keep in mind while arranging its working capital

- Shobhit wants to purchase a sandwich maker. He goes to a nearby mall and enters the shop where electric gadgets are kept. He asks the salesman about the area where sandwich makers are kept. The sales man takes him to that place where different types of sandwich makers are kept. He very patiently observes all the electronic gadgets, sees their functions, reads their instructions, compares their prices and sees their warranty periods. After some time when he pays the concerned person, tells him to note his home address and telephone number for future contact. He also asks him to inform him about any new products in the market.
 - 1. In the above case name one consumer responsibility Shobhit should follow?
 - 2. In the above case when Shobhit reads the instructions which consumer right is maintained?
 - 3. Which mark should be checked by Shobhit on the electronic appliance as he purchases it?
 - 4. What is the significance of this mark?
- Radhika opens a jewellry showroom in Jaipur after completing a course in jewellry designing. She has employed eleven persons in her showroom. For greater productivity, she divides the work into small tasks and each employee is trained to perform his/her

specialized job. The sales persons are allowed to close a deal with a buyer by giving a maximum of 10% discount, whereas the decision to give any further discount rests with Radhika as the final authority. In the earlier days of starting of the business, five of her employees were asked to put in extra hours of work. In return she had promised to give them a special incentive within a year. Therefore, after six months when the business was doing well, she awarded a cash bonus to each of these employees to honour her commitment. However, when it comes to settling the conflicts among her employees, she tends to be more biased towards her female employees.

In context of the above case:

- 1. Identify and explain the various principles (Any 3) of management that are being applied by Radhika by quoting lines from the paragraph.
- 2. Identify and explain the principle of management which is being violated by Radhika by quoting lines from the paragraph.
- 3. State any one effect of the violation of the principle of management by Radhika as identified in part (b) of the question.

A shoe manufacturing company wants to become a market leader. For this a detailed planning is required. The first step taken by the firm is to set targets for the three months duration for selling maximum number of shoes in the market which they set as 2, 50,000. The team doesn't want to make any mistake so they decide to do proper planning. They decide to chalk out alternative plans so that they can arrive at the best possible plan. However the team is surrounded with doubts. To remove doubts it goes for judging the plans to get the most profitable one. The plan is taken to the whole organisation and the concerned persons. Ultimately it is put into action. Without much caring for the results the company starts working on the other project simultaneously.

Identify the steps in the planning process which have been applied by the organisation in the above case? Quote the lines also

OR

'Dhulai' is a washing machine manufacturing company. The company decides to enter into music system manufacturing industry. The company has a committed top management. It knows that there are various challenges in the market where its decisions regarding the new industry might fail. Still the top management doesn't want to waste a lot of resources on its plans. It knows that sometimes plans take more time in making than getting implemented. However, the company wants to proceed with a positive approach. It has decided to study all the aspects of its competitors, to set all its objectives and to allocate the required resources. The company did well in its previous business. At that time they took planning very seriously as they knew everything the company would do had to be based on concrete

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plans. The company will start its operations from next month.

Which function of management has been discussed in the above case?

Which limitations of planning have been highlighted in the above case?

Which feature of planning is highlighted above?

Smriti works as a marketing manager in a small company. The company has recently launched a new brand of room fresheners through aggressive promotion. However, the product is less in demand and its sales are low. Smriti decides to study the reasons for the poor likability of the product through a market research. Keeping in view the volume of work, she knows it will be impractical for her to handle it all by herself. In order to share her work, she deploys a team of executives. She gives them the necessary authority and assigns them the responsibility to conduct the research and report back to her so that she can make the decisions.

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In the context of the above case:

Identify and explain the concept used by Smriti to share her work and authority with her subordinates.

Also explain its Importance(Any 5)

Ravi has decided to set up a small factory to manufacture hand wash and toilet soaps in a rural area in Haryana. In order to promote the product initially, he plans to distribute small sachets of the hand wash as free samples, besides deploying a team of salesmen to sell the product door to door in the different parts of the city. Moreover, he has decided to conduct a hygiene camp in rural areas wherein he will distribute a kit comprising of hand wash and soap and also plans to organize street plays to highlight the importance of hygiene and sanitation in our daily lives.

In the context of above case:

- 1. Identify and explain the tools of promotion being taken into consideration by Ravi.
- 2. What are the qualities that he should consider while selecting salesmen? (any three)

OR

Arvind is planning to start a company manufacturing room fresheners. He intends to use natural fruit extracts for adding fragrance to them. He estimates an investment of Rs. 20 crores to set up the factory. As it is difficult for him to raise the entire capital amount alone, he gives a partnership offer to his school friend, Sanjay who is an angel investor, after being convinced about the feasibility of the project, accepts his offer. Sanjay tells Arvind that they should also focus on other important decisions related to the product 'room fresheners' besides deciding about its features, variety and quality. Branding is one of the important such decision.

In the context of above case:

- Name and explain any other two important decisions related to a product
 Explain its importance (2 each)

