



INDIAN SCHOOL AL WADI AL KABIR

Sample paper-3 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)	It refers to downward transfer of authority from a superior to subordinate. Identify the concept	1
2)	GHJ Private Ltd. is concerned about the external environment of business. It is busy analyzing various factors which are going to affect its business. However, with a lot of understanding it found two types of factors; one which affected the firm directly and the other which affected all the firms in the business. Identify the feature stated in the information given above.	1
3)	A software is in high demand among the industrial buyers as it can connect all the branches of a company as a single integrated unit. Identify the element of business environment from the information given above.	1
4)	The basic knowledge varies from individual to individual. Each manager applies acquired knowledge in a personalised and skillful manner in a given situation. Identify the nature of management from the above given details.	1

5)	<p>Match the terms in Column I with their respective definition in Column II.</p> <table border="1" data-bbox="215 233 1382 569"> <thead> <tr> <th colspan="2">Column A</th> <th colspan="2">Column B</th> </tr> </thead> <tbody> <tr> <td>a)</td> <td>Relativity</td> <td>i.</td> <td>Political, Legal, Social, Technological and Economical</td> </tr> <tr> <td>b)</td> <td>General forces</td> <td>ii.</td> <td>Business environment differs from country to country, region to region.</td> </tr> <tr> <td>c)</td> <td>Dynamic nature</td> <td>iii.</td> <td>It is difficult to grasp in parts as it consists of numerous interrelated conditions or forces.</td> </tr> <tr> <td>d)</td> <td>Complexity</td> <td>iv.</td> <td>Forces in the business environment keeps on changing.</td> </tr> </tbody> </table> <p>a) iii, ii, i, iv b) ii, i, iv, iii c) iii, ii, iv, i d) iii, i, iv, ii</p>	Column A		Column B		a)	Relativity	i.	Political, Legal, Social, Technological and Economical	b)	General forces	ii.	Business environment differs from country to country, region to region.	c)	Dynamic nature	iii.	It is difficult to grasp in parts as it consists of numerous interrelated conditions or forces.	d)	Complexity	iv.	Forces in the business environment keeps on changing.	1
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6)	Explain the meaning of the term efficiency with relation to management.	1																				
7)	<p>At the time of Holi a large number of manufacturing firms get involved in making colours which are used in the celebration of this colourful festival. Identify the dimension of business environment from the details given above.</p> <p style="text-align: center;">Or</p> <p>It is not advisable to open a luxury car showroom in the middle of an economy where per capita income is very low. Identify the dimension of business environment.</p>	1																				
8)	Explain the importance of coordination due to specialization in the modern era in any organisation.	1																				
9)	_____ is a frame work with in which managerial and operating tasks are performed.	1																				
10)	<p>Sammer, a senior experienced manager is concerned about the 5% rise in the raw materials. He knows that rise in raw materials will affect the cost of the finished goods. Cost of raw material is one of the key components and any increase in this cost of raw material is troublesome. He knows that he needs to keep a check on the cost of raw material as it is one of the key result areas.</p> <p>Identify the concept of controlling.</p>	1																				
11)	<p>Sanjay Gupta started a telecommunication company, 'Donira Ltd.' to manufacture economical mobile phones for the Indian rural market with 15 employees. The company did very well in its initial years. As the product was good and marketed well, the demand of its products went up. To increase production the company decided to recruit additional employees. Sanjay Gupta, who was earlier taking all decisions for the company had to selectively disperse the authority. He believed that subordinates are competent, capable and resourceful and can assume responsibility for effective implementation of their decisions. This paid off and the company was not only able to increase its production but also expanded its product range.</p> <p>Identify the concept used by Sanjay Gupta through which, he was able to steer his company to greater heights.</p>	1																				

	OR	
	<p>This type of structure is suitable for large business enterprises where several products are there for sale. It is easy to add new departments as new products are added.</p> <p>In the light of the above given information, Identify the type of organization structure.</p>	
12)	<p>A Mobile manufacturing company is adding new features to its products. This is being done to increase its customer base. The company is not willing to invest huge financial resources to conduct Market research to understand the needs and wants of the customer. It is planning add more features, which the company feels will add value to the product. When asked why they are not doing proper research to know the expectations of the customers, they replied that they have full faith on the performance of their mobile phones in the market. Identify the marketing philosophy.</p> <p style="text-align: center;">OR</p> <p>Pure leather company deals with shoes and foot wear made of pure leather. The company has a huge stock of foot wear lying in its ware house across its various branches. The company has decided to conduct discount sale on its products. It even has decided to go for various fashion shows in different public areas where college students hang out like malls, parks and place huge hoardings in the main junctions of the metro cities to attract the teenagers. It has also decided to sponsor a few events. However, people say that the foot wear is not in line with the latest fashion. But the company is only interested in clearing all the stock that is lying in the ware house and is not considering the choice of the customers. Identify the marketing philosophy.</p>	1
	<p>Read the following text and answer question No.15-17 on the basis of the same: ‘Mohammad Steel Ltd.’ is a large and creditworthy company manufacturing steel for the Indian market. It now wants to cater to the Asian market and decides to invest in new hi-tech machines. Since the investment is large, it requires long-term finance. It decides to raise funds by issuing equity shares. The issue of equity shares involves huge floatation cost. To meet the expenses of floatation cost the company decides to tap the money- market.</p>	1
13)	Name and explain the money-market instrument the company can use for the above purpose.	1
14)	What is the duration for which the company can get funds through this instrument?	1
15)	State any other purpose for which this instrument can be used	1
16)	What are the costs associated with floating of an issue of shares?	1
	<p>Read the following text and answer question No.18-20 on the basis of the same: A tea manufacturing company has put labels on its packets stating the variety of tea it is selling. Currently it has three varieties—red, green and black. The tea of the company comes from a garden in Assam which is 100 years old. So, the price of the tea is high but recently in order to stay in the market it has lowered down its prices by 20%. The company sells its tea in different markets of the world. Next year the company is thinking of selling its tea in the market of a nation having a very high population. So, it is planning to use a promotional tool through which large number of people can be reached. The top management hasn’t yet decided the type of channel it should choose. Two years ago, the company started selling its tea online,</p>	

	the decision brought an indirect change in one of the elements of the marketing mix and of course one element saw change directly.	
17)	Which function of labelling has been highlighted in the above case?	1
18)	Which factor of price determination has affected the pricing of tea by the company?	1
19)	Which element of marketing mix has changed directly and which indirectly?	1
20)	Suggest an ideal promotional tool which will help company reach large number of people.	1
21)	<p>Rishitosh Mukerjee has recently joined AMV Ltd, a company manufacturing refrigerators. He found that his department was under-staffed and other departments were not cooperating with his department for smooth functioning of the organisation. Therefore, he ensured that his department has the required number of employees and its cooperation with other departments is improved.</p> <p>a) Identify the level at which Rishitosh Mukerjee was working. b) State three more functions required to be performed by Rishitosh Mukerjee at this level.</p>	3
22)	<p>In a steel plant, training is given to the new employees to handle sophisticated machines. Actual work environment is created inside the classroom and the trainees are guided properly there itself. They are given training in handling those machines inside the class room. Once they are confident of handling machines is when they are taken to handle machines in the actual work floor.</p> <p>a) Identify the method of training. b) Explain any two other types of training from the identified concept.</p>	3
23)	<p>‘C.C. Ltd.’ is a large company engaged in assembly of air-conditioners. Recently the company had conducted the ‘Time’ and ‘Motion’ study and concluded that on an average a worker can assemble ten air-conditioners in a day. The target volume of the company in a day is assembling of 1,000 units of air-conditioners. The company is providing attractive allowances to reduce labour turnover and absenteeism. All the workers are happy. Even then the assembly of air-conditioners per day is 800 units only. To find out the reason the company compared actual performance of each worker and observed through C.C.T.V. that some of the workers were busy talking to each other and not being productive while working.</p> <p>a) Identify the function of management discussed above. b) State those steps in the process of the function identified which are discussed in the above paragraph.</p> <p>OR</p> <p>Umang Gupta is the Managing Director of Denver Ltd. The company had established a good name for itself and had been doing well. It was known for timely completion of orders. The Production Manager, Ms. Kanta was efficiently handling the processing of orders and had a team of fourteen motivated employees working under her. Everything was going on well. Unfortunately, she met with an accident. Umang knew that in the absence of Ms. Kanta, the company may not be able to meet the deadlines. He also knew that not meeting the deadlines may lead to customer dissatisfaction and there is risk of loss of business and goodwill. So, he had a meeting with his employees in which accurate and speedy processing of orders was planned. Everybody agreed to work as a team because the behaviour of Umang Gupta was positive towards the employees of the organisation. Hence everyone put in extra time and</p>	3

	<p>efforts and the targets were met on time. Not only this, Umang visited Ms. Kanta and advised her to take sufficient rest.</p> <p>(a) Identify and explain the leadership style adopted by Umang Gupta and draw a diagram depicting the style,</p>	
24)	<p>Ramesh, the CEO of a company thinks of going with the most popular method of raising funds used by the public companies. He discussed this option with his immediate subordinates. After discussion he realizes that since his company is a private company he should think of some other option. Then they think of issuing the securities through intermediaries like issuing houses or stock brokers. When his nephew comes to know about his decision, he decides to suggest his uncle another way. He advises him to involve institutional investors which will help him raise funds more quickly and reduce many mandatory and non-mandatory expenses. After a lot of discussion, the option suggested by his nephew is chosen as final.</p> <p>a) In the above case, identify the various methods of floatation highlighted b) Which methods of floating new issues in the primary market is not mentioned in the above case study? c) In which type of capital market only buying of securities is possible as securities can't be sold here? OR Differentiate between Money market and capital market.</p>	3
25)	<p>Aaron Rubbers is thinking of knowing the worth of its employees but it is unable to do so yet. The firm now has decided to include a step in its staffing process through which it can judge the performance of its employees.</p> <p>a) Name the step that the organization is trying to include. b) Name three other steps in the staffing process which precede the above identified step.</p>	4
26)	<p>Mr. Syed is a very well-balanced personality. He is the head of marketing department. However, he is unable to discuss anything related to his project with one of the employees named Mr. Rashid. The reason is the lack of faith he has in him. This has resulted in lack of understanding between the two of them.</p> <p>The above given information is related to one of the barriers.</p> <p>a) Identify the type of barriers. b) Quote the line and specify the type of the identified concept of (a) c) Explain any other barriers which is identified in (a)</p>	4
27)	<p>Ahmed is working in multinational company in Gurgaon. He was running temperature for the last many days. When his blood was tested, he was found positive for dengue with a very low platelet count. Therefore, he was admitted in the hospital and a blood transfusion was advised by the doctors. One of his colleagues sent a text message about it to his immediate superior 'Mr. Naveen'. 'Mr. Naveen' in turn sent a text message to the employees of the organization requesting them to donate blood for Ahmed. When the General Manager came to know about it, he ordered for fumigation in the company premises and cleanliness of the surroundings.</p> <p>a) From the above para quote lines that indicate formal and informal communication. b) State any two features of informal communication.</p>	4

28)	Who can file a complaint? Explain how the consumer grievances are redressed by the three-tier machinery under the Consumer Protection Act.	4
29)	<p>‘Fresh Dairy’, a company producing various dairy products, thinks of starting a project in South America. The company knows that the project will be a successful venture in the years to come. The company has decided to issue equity but is concerned that there will be the dilution of management control and also huge expenses involved in raising finance through issue of shares. So, after a lot of brainstorming, the board of directors decided to take loan from a bank and debt from other sources, as it is confident about the inflow of revenue and achieving the Targeted sales and gaining the planned market share.</p> <p>a) Identify the decision discussed in the above case study. b) Quote the lines and explain the factors affecting the above identified concept.</p> <p style="text-align: center;">OR</p> <p>MM Ltd. is manufacturing small electric cars at its manufacturing unit in Pune. The demand for its cars is increasing at the rate of 20% annually. It is planning to set up a new car manufacturing unit at Indore. For this the company will require approximately Rs1,500 crores to set up plant and machinery for manufacturing the cars. State any four factors that the finance manager should keep in mind while arranging funds for investment in plant and machinery</p>	4
30)	<p>‘Rapid solutions’ has been performing very well as it provides services in the area of cyber security. Within two years the company has reached among the top 3 performers of the IT industry. The company has made a huge profit and decided to distribute its profits to the shareholders who stood with the company during the hard times. At the same time the company has decided to plough back the profit and this decision will save the company at least Rs 100 crores. These funds can be used for the long-term growth of the business.</p> <p>a) Identify the type of decisions involved b) Explain any three factors affecting the requirement of the identified concept.</p> <p style="text-align: center;">OR</p> <p>An organisation is busy preparing its financial blueprint for its future operations. The idea is to create satisfactory amount of money which should be there in the reach of the organisation at the right time.</p> <p>a) Which concept of financial management has been highlighted in the above case? b) What are the twin objectives of the above identified concept? c) What are the financial plans made for a year known as?</p>	4
31)	<p>Work is Worship’ is a leading construction company. The organisation has grown from strength to strength because of its innovative ideas and scientific approach of working. Ten years ago, the organisation went through a revolution. They eliminated unnecessary movements while performing their job. All the operations and activities were properly noticed and the standard time taken to perform them was noted. They determined the number of workers required and the cycle time of the manufacturing processes. A year later, they moved to another level by considering the stress involved in the lives of the workers. The amount and frequency of rest intervals in finishing a particular task were noted. This helped the company in optimizing the rest intervals for the workers so that their outputs could be increased. After six more months the company decided to reward the efficient workers. A different rate of wage</p>	6

	<p>payment system was devised to differentiate between efficient and in-efficient workers. This led to a revolutionary change in the perspective of the workers, who now started giving their full efforts in order to increase their wages.</p> <p>a) Which concept of management has been discussed in the above case? b) Name four types of this management concept highlighted above. c) Also identify the lines where these types have been indicated.</p>	
32)	<p>Explain any six limitation of planning</p> <p style="text-align: center;">Or</p> <p>Planning will certainly tell us where to go and provide us with direction. Explain any six benefits of planning.</p>	6
33)	<p>To make the world yoga day successful the yoga master(head) of the yoga institute with 2000 students planned Yogathon. They planned to do 108 Surya Namaskars and on completion will receive a certificate of participation. This would encourage participants to take up yoga on a regular basis and in turn promote healthy living. Yoga master divided all the activities into task groups, each dealing with a specific area like holding of event, arrangement of certificates, refreshments etc. Each group was placed under the overall supervision of a senior Yoga teacher. The junior teacher was made responsible for holding different events, the trainee for refreshments and another trainee for medals.</p> <p>a) Identify the function of management performed by the head of the yoga center to conduct yogathon. b) Explain the steps involved in the above identified concept.</p>	6
34)	<p>An FMCG company has recently launched a new type of biscuit in the market. The name of the biscuit is 'Behetrino'. The company has made the biscuits of the highest quality possible. It wants to create an irreplaceable place for the new brand in the market. The price of the biscuit is also the highest in the market suggesting its quality. The CEO of the company in an interview said that the branding of the new biscuit will help the company to connect with the customers. A customer can ask for the promised quality in case the company deviates from it. As far as packaging of the biscuit is concerned it is different from others. The immediate outer covering is beautiful and an additional layer of cardboard box is provided to ensure protection to the shape of the biscuits.</p> <p>a) Which characteristic of the good brand name can be seen in the brand name of the biscuit kept by the company? b) Which advantage of branding to the customers has been highlighted in the above case? c) Which level of packaging does 'cardboard box' come under?</p> <p style="text-align: center;">OR</p> <p>A company was marketing 'water purifiers' which were very popular due to their quality and after sales services provided to the customers. The company was a leading company in the market and earning huge profits. Because of huge profits the company ignored the after sales services. As a result, its relations with the customers got spoiled and the image of the company was damaged. Top management became concerned when the profits for the current quarter fell steeply. On analysis, it was revealed that ignoring the after sales services was its reason. Therefore, the company took all possible measures to protect and promote its favorable image in the eyes of the public. As a result, the image of the company improved in the society.</p> <p>(a) Name and state the communication tool used by the marketer in the above case</p>	6

	to improve its image. (b) Also explain role of the tool as identified in part (a).	
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