



INDIAN SCHOOL AL WADI AL KABIR

2020-21

Class: XII

Sub: Business Studies

Maximum Marks: 80

Date: 06/12/20

Maximum Time: 3 Hrs.

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.

SET 1

Sr No	Questions	Marks
1)	<p>On the eve of Diwali Ravi purchased two kilograms of sweets from Nandan Sweets. On consumption of sweets his wife fell sick and was to be hospitalized. Ravi wanted to file a case in the consumer forum but could not do so because he did not have any proof of buying the sweets from Nandan sweets. Name the document that Ravi could had obtained for filing the complaint in the consumer forum.</p> <ol style="list-style-type: none">a) Warranty letterb) Guarantee letterc) Cash memod) Instruction card	1
2)	<p>A manager obtains the required capital at 12% interest while the prevailing rate of interest happens to be 10%. How would you describe such a manager?</p> <ol style="list-style-type: none">a) Efficientb) Effective	1

	<p>c) Efficient and Effective d) Inefficient</p>																	
3)	<p>Span of management refers to _____ a) Number of managers b) Length of term for which a manager is appointed c) Number of subordinates under a superior d) Number of members in top management</p>	1																
4)	<p>Alliance Ltd. is engaged in manufacturing plastic buckets. The objective of the company is to manufacture 100 buckets a day. To achieve this, the efforts of all departments are coordinated and interlinked and authority responsibility relationship is established among various job positions. There is clarity on who is to report to whom. Name the function of management discussed above. a) Planning b) Organising c) Staffing d) Directing</p>	1																
5)	<p>Match the terms in Column I with their respective definition in Column II.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">Column A</th> <th colspan="2">Column B</th> </tr> </thead> <tbody> <tr> <td style="width: 5%;">a)</td> <td style="width: 35%;">Development</td> <td style="width: 5%;">i.</td> <td style="width: 55%;">It is a process of increasing the skills and knowledge related to a particular job/task.</td> </tr> <tr> <td>b)</td> <td>Training</td> <td>ii.</td> <td>It is concerned with improving general understanding of the employee's total environment.</td> </tr> <tr> <td>c)</td> <td>Education</td> <td>iii.</td> <td>It is the process of learning and growth of an individual in all respects.</td> </tr> </tbody> </table> <p>a) iii, i, ii b) iii, i, ii c) ii, i, iii d) iii, ii, i</p>	Column A		Column B		a)	Development	i.	It is a process of increasing the skills and knowledge related to a particular job/task.	b)	Training	ii.	It is concerned with improving general understanding of the employee's total environment.	c)	Education	iii.	It is the process of learning and growth of an individual in all respects.	1
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6)	<p>What was the profession of FW Taylor? a) Mechanical engineer b) Doctor c) Scientist d) psychologist</p>	1																
7)	<p>Higher debt – equity ratio results in _____ a. lower financial risk b. higher degree of financial risk c. higher degree of operating risk d. higher EPS.</p> <p style="text-align: center;">Or</p> <p>Financial leverage is called favorable if _____ a. Return on investment is lower than the cost of debt. b. ROI is higher than the cost of Debt</p>	1																

	c. Debt is easily available. d. If the degree of existing financial leverage is low.	
8)	With the introduction of Photostat Machines in the market, the carbon paper industry was adversely affected. Which component of environment was responsible for it? a) Economic b) Political c) Technical d) All the above	1
9)	The Cheapest source of finance is _____ a) Debenture b) Equity share capital c) Preference share d) Retained earnings	1
10)	A decision to acquire a new and modern plant to upgrade an old one is a _____ a) Financing decision b) Working capital decision c) Investment decision d) Capital decision	1
11)	_____ is the training technique which duplicates the actual work environment a) Computer modeling b) Programmed instruction c) Vestibule training d) Internship	1
12)	Who of the following cannot file a complaint? a) Individual consumer b) Consumer association that has not been recognised c) Central government d) State government Or To provide protection to the consumers against the improper behaviour of the producers and sellers is called _____ a) Consumers Protection Act b) Consumer Protection c) Consumer Welfare d) Consumer Education	1
13)	Other things remaining the same, an increase in the tax rate on corporate profit will a) Make the debt relatively cheaper b) Make the debt relatively the dearer c) Have no impact on the cost of debt d) We can't say	1
14)	Ramesh is working under the guidance of Harish, a carpenter for the last three years to learn the different skills of this job. Name the method of training Ramesh is undergoing? a) Apprenticeship training b) Induction training	1

	<ul style="list-style-type: none"> c) Job rotation d) Coaching 	
	<p>Read the following text and answer question No.15-17 on the basis of the same:</p> <p>Usually we see that on the occasion of Diwali people buy a large number of gifts. ‘Ambe Electronics limited’ wants to take advantage of this habit of people. It decided to prepare a big range of attractive gifts. All the employees of the company co-operated fully to implement this decision. One day some of the employees were chatting together in the canteen. One of them, Mr. Ravindra had secret and enjoyable information about one of his colleagues. He was telling them all as he stood amidst them. All of them were enjoying themselves the information he shared with them.</p>	1
15)	<p>Identify this factor of business Environment.</p> <ul style="list-style-type: none"> a) Legal b) Political c) Technical d) social 	1
16)	<p>In which method of communication comes the chatting going on in the canteen?</p> <ul style="list-style-type: none"> a) Gossip b) Cluster c) Probability d) Single strand 	
17)	<p>To which main type of communication belongs the method referred to in point ‘16’?</p> <ul style="list-style-type: none"> a) Formal b) Informal c) Structural d) Functional 	1
	<p>Read the following text and answer question No.18-20 on the basis of the same:</p> <p>Five students of BBA took part in a discussion. The subject of their discussion was: “Why do people get motivated to do anything?” The main portions of their discussion are as under: The first student said, “People work because they want to deposit wealth enough to protect themselves from diseases and to be relieved of the tension of old age.” The second student said, “People work because they want to arrange food, cloth and shelter for themselves at any rate.” The third student said, “People work because they want to reach the top of the field in which they are. They, therefore, put in untiring efforts.” The fourth student said, “People work, so that when they have money, people will become friendly with them and they will stand by them through thick and thin.” The fifth student said, “People work, so that they may get respect in the society and that they may be recognize as exceptional persons.”</p>	
18)	<p>The five friends spoke about the different needs of people as the basis of their doing work. Identify the need discussed by second friend.</p> <ul style="list-style-type: none"> a) Esteem needs b) Social needs c) Physiological Needs d) Safety Needs 	1
19)	<p>The five friends spoke about the different needs of people as the basis of their doing work. Identify the need discussed by first friend.</p> <ul style="list-style-type: none"> a) Esteem needs 	1

	<ul style="list-style-type: none"> b) Social needs c) Physiological Needs d) Safety Needs 	
20)	<p>The five friends spoke about the different needs of people as the basis of their doing work. Identify the need discussed by fourth friend.</p> <ul style="list-style-type: none"> a) Esteem needs b) Social needs c) Physiological Needs d) Safety Needs 	1
21)	<p>Explain the importance of planning. (Any 3)</p> <p style="text-align: center;">OR</p> <p>Explain the features of planning. (Any 3)</p>	3
22)	<p>Pramod was a supervisor at ‘Annapurna Aata’ factory. The factory was producing 200 quintals of aata every day. His job was to make sure that the work goes on smoothly and there was no interruption in production. He was a good leader who would give orders only after consulting his subordinates and work out the policies with the acceptance of the group.</p> <p>Identify and explain the leadership style with a diagram being adopted by Pramod.</p>	3
23)	<p>Distinguish between delegation and decentralization.</p> <p style="text-align: center;">OR</p> <p>Distinguish between authority and responsibility</p>	3
24)	<p>Ajay and Sanjay are childhood friends. Sanjay had lost his right hand in an accident in childhood. They meet after a long time in a restaurant. On being asked, Sanjay tells Ajay that he feels very discontented in managing his family business after the death of his father as it does not match with his areas of interest. Ajay knows that Sanjay possess extraordinary skills in management although he hasn’t acquired any professional degree in management. Therefore, he asks Sanjay to wind up his business in India and join him in his hotel business in Dubai as an Assistant Manager in Sales and Marketing Division.</p> <p>In context of the above case:</p> <ul style="list-style-type: none"> a. Can Sanjay be deployed at the post of Assistant Manager in Sales and Marketing Division though he hasn’t acquired any professional degree in management? b. Explain by giving suitable justifications in support of your answer. 	3
25)	<p>A company has been registered under the Companies Act with an authorized share capital of ₹ 20,000 crores. Its registered office is situated in Delhi and manufacturing unit in a backward district of Rajasthan. Its marketing department is situated in Bhopal. The company is manufacturing Fast Moving Consumer Goods (FMCG).</p> <ul style="list-style-type: none"> a. Suggest with the help of a diagram a suitable organization structure for the company. b. State any two advantages of this organization structure. 	4
26)	<p>Explain any four financial incentives.</p>	4

	Or	
	Explain any four non-financial incentives.	
27)	<p>Karodimal Ltd. manufactures fashionable and designer clothes. Recently it finds that the demand for its product been declining. After market research it was discovered that fashion and tastes of the consumers is changing a pace. Consumers demand is increasing. New competitors have entered the market with new design. It is difficult for the company to predict future happening. Also, it is difficult to know the extent of the relative impact of the social, economic, political, technological or legal factors on decrease in demand of its product in the market. A meeting was held in which managers from different functional level heading production, marketing, financial etc. for example, chief operating officer, chief finance officer, vice president (marketing) were present to discuss how to deal with the situation. After a long discussion, it was decided that they would study and analyze the market first to identify customers taste and fashion and then manufacture garments accordingly. It was also decided to increase expenditure on advertising, after sale service, etc.</p> <ol style="list-style-type: none"> a. At which level of management, the meeting of managers in Karodimal Ltd. was held. b. Identify any two features a business environment by quoting the lines from the above case. c. State the importance of understanding of environment by business managers in the light of the above para. 	4
28)	<p>Smita had been working as an assistant manager with 'Johnson Enterprises' for the last ten years. She was very popular amongst her colleagues because of her commitment and dedication towards the work. When the manager senior to her retired, all her colleagues thought that now Smita would be promoted. But to everyone's surprise the vacant post was filled by an outsider, Mrs. Rita. Smita felt demoralised and her performance started declining. She would abstain herself often and could not meet her targets. Mrs. Rita was a good leader, who would not only instruct her subordinates but would also guide and inspire them. She noticed Smita's behaviour and felt that her performance could be improved. She started involving Smita in decision making-issues related to the organization and made her a part of high level joint-management committee. Smita was now punctual in office and her performance started improving.</p> <ol style="list-style-type: none"> a) Identify the function of management being performed by Rita. b) Name the element of the above function of management which helped Rita to improve Smita's behaviour. c) State the features of the element identified in (b) above 	4
29)	List the assumptions of Maslow's theory.	4
30)	<p>Explain any four rights of consumers.</p> <p style="text-align: center;">Or</p> <p>What are the ways and means of consumer's protection?</p>	4
31)	Toyota follows certain well-defined business principles guiding its functioning. Like, Honor the language and spirit of law of every nation and undertake open and fair corporate activities to be a good corporate citizen around the world. Respect the culture and customs	6

	<p>of every nation and contribute to economic and social development through corporate activities in local communities. To provide clean and safe products and to enhance the quality of life everywhere. Create and develop advanced technologies and provide outstanding products and services that fulfil the needs of customers worldwide. Foster a corporate culture that enhances individual creativity and teamwork value, while honoring mutual trust and respect between management and labour. Pursue growth and harmony with global community through innovative management. Work with business partners in research and creativity to achieve stable, long-term growth and mutual benefits and be open to new partnerships. These principles, will guide the company in its global vision 2010. This global vision envisages continuous innovations in future, use of environment friendly technologies, respecting and working with different sections of society and establishing an interactive relationship with society</p> <p>On the basis of information shared state the nature of principles of management.</p>	
32)	<p>Love and kush are two friends. both are MBA (final year) students. One day, their professor called them to class stage for a surprise Test. He told that one of them will establish relationship between any two functions of management then the other one, will establish reverse relationship between the same two functions. Both will have to give justification for the relationship explained by them. It was a test carrying 50 marks. But the students were Intelligent and skillful. Love was the first to speak. Love said that in his opinion of the functions of management selected by him one is always looking ahead (future) and the other is looking back (past).</p> <p>(a) Identify the functions of the management discussed in the above paragraph. (b) Explain the various steps involved in the function of management which is looking back (past).</p> <p style="text-align: center;">Or</p> <p>“Prakash limited” is accompany manufacturing electrical goods Smt. Ruby is its managing director. By virtue of her wise directions, the company has achieved great heights. A management institute one day invited her for a lecture. There she got an opportunity to dialogue with the students of management studies. She narrated to them the story of her success. She told them two main things, first: the employee should know that their work is being evaluated and progress report prepared. Second, optimum use of physical resources should be made possible.</p> <p>a) Identify and explain the above said function of the management. b) state the limitations of the function of management as identified in point (a) above.</p>	6
33)	<p>'Sarah Ltd.' is a company manufacturing cotton yarn. It has been consistently earning good profits for many years. This year too, it has been able to generate enough profits. There is availability of enough cash in the company and good prospects for growth in future. It is a well-managed organization and believes in quality, equal employment opportunities and good remuneration practices. It has many shareholders who prefer to receive a regular income from their investments. It has taken a loan of ₹ 40 lakhs from IDBI and is bound by certain restrictions on the payment of dividend according to the terms of 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.</p> <p>Quoting the lines from the above discussion identify and explain any four such factors.</p>	6

Or

The company has furnished the following information and has asked for your calculative suggestion to determine the capital structure. From the given information calculate EPS and give your input with justification to help the company to form the capital structure.

Total funds	₹ 40 lakh @10 per share
Interest rate	10% p.a.
Tax rate	30%
EBIT	₹ 5 lakh
Debt:	
Situation I	Nil
Situation II	₹ 10 lakh
Situation III	₹ 20 lakh

34) 'Newrange' is a chain of departmental stores in India with 56 outlets. It sells the best products at the lowest price. The HR department takes care to select, train, motivate and retain the employees. Currently, it has 170 full time employees and 30 part time employees. For top-level management, employees are recruited through private consultants. These professional recruiters can entice the need top executives from other companies by making the right offers. Employees appointed at the entry, even are recruited through walk-in. For that, a notice is placed on the notice board specifying the details of the jobs available. 'Newrange' also encourages present employees or their friends and relatives to refer candidates. They also visit some of the reputed educational institutions to hire some of the most talented and promising students as its employees. 'Newrange' shifts workforce from surplus departments to those where there is shortage of staff instead of lying them off. Explain the various internal and external sources of recruitment used by 'Newrange' to recruit its employees.

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