



**INDIAN SCHOOL AL WADI AL KABIR
DEPARTMENT OF COMMERCE**

FIRST REHEARSAL EXAMINATION -2023-24

DATE:28/11/2023

BUSINESS STUDIES (054)



MARKS: 80

SET-1

General Instructions:

1. This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Answers 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.

Q. No.	PART A	MARKS
1	<p>Under which of the following circumstances a company is not likely to declare a higher dividend?</p> <p>(a) When the earnings of the company are high (b) When a company has a lucrative forthcoming business opportunity (c) When the cash flow position of the company is strong (d) None of the above</p>	1
2	<p>A beauty goods manufacturing firm has decided to determine client demands in order to begin successful marketing of the clothing it produces, and is conducting a SWOT analysis to accomplish so (Strength, Weakness, Opportunity and Threat Analysis). The organisation is working hard to achieve its goals. It has decided to create a blueprint for how much production it will accomplish, how much work it will put into promotion, and all other significant measures it will do to reach its goals. However, the business has one flaw that it would like to address. Last year, the physical movement of the company's prepared items was not done effectively, and the company wants to make sure it is done correctly this year. It has established a separate department to appropriately carry out this task. I'm hoping for a better future for the company.</p> <p>In the preceding example, which marketing functions were highlighted?</p> <p>(a) Marketing planning and transportation (b) Transportation and identifying customer needs (c) Gathering and analysing market information and planning (d) Both a and c</p>	1

3	<p>According to the United Nations Environmental Agency, the world produces around 300 million tons of plastic each year, half of which constitutes single-use items. Ford is recycling over one billion plastic bottles every year to develop elements of the car's interior, reducing the amount of plastic ending up in a landfill. The American car maker has revealed that their Romanian-built EcoSport SUVs' carpets are made using 470 recycled single-use plastic bottles. The process for making Ford EcoSport carpets involves shredding bottles and their caps into tiny flakes and then heating them to 260° C.</p> <p>Identify the related dimension of business environment.</p> <p>(a) Economic dimension (b) Social dimension (c) Technological dimension (d) Political dimension</p>	1
4	<p>Identify the component of branding being depicted below.</p>  <p>(a) Brand name (b) Brand mark (c) Trademark (d) Generic name</p>	1
5	<p>Which of the following statements is not true with regard to Treasury bills?</p> <p>(a) Are issued in the form of a promissory note. (b) They are highly liquid and have assured yield (c) They carry high risk of default. (d) They are available for a minimum amount of ₹25,000 and in multiples thereof.</p>	1
6	 <p>In the absence of this concept, there is chaos prevailing here. Name the concept.</p> <p>(a) Incentive (b) Coordination (c) Motivation (d) Communication</p>	1

7	<p>Suppose an investor purchases a 91 days Treasury bill with a face value of ₹2,00,000 for ₹1,92,000. By holding the bill until the maturity date, the investor receives ₹2,00,000. What is the amount of interest received by him?</p> <p>(a) ₹8,000 (b) ₹80,000 (c) ₹3,92,000 (d) ₹2,00,000</p>	1
8	<p>Om Prakash has set up a small business unit for the manufacturing of detergent. In order to market the detergent in the local residential areas, he has appointed a team of ten salesmen. Each salesman is expected to sell at least 200 units of the detergent within a week's time. Identify the point of importance of controlling being highlighted in the above case.</p> <p>(a) Controlling helps in judging accuracy of standards. (b) It ensures efficient use of resources. (c) It helps in improving employee motivation. (d) It facilitates co-ordination in action.</p>	1
9	<p>Which of the following statements is not true with regard to Commercial paper?</p> <p>(a) Is a long-term unsecured promissory note with a fixed maturity period. (b) It usually has a maturity period 15 days to one year. (c) It is sold at a discount and redeemed at par. (d) Companies use this instrument for bridge financing.</p>	1
10	<p>There are two statements marked as Assertion (A) and Reason(R).</p> <p>Assertion (A): Middle management and other decision makers are neither allowed to deviate from the plan nor they are permitted to act on their own.</p> <p>Reason(R): Planning in a way reduces creativity since people tend to think along the same lines as others.</p> <p>Choose the appropriate option from the options given below:</p> <p>(a) Both Assertion (A) and Reason(R) are true and Reason (R) is 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 but Reason(R) is false (d) Assertion (A) is false but Reason(R) is true.</p>	1

11	<p>Identify the correct sequence of steps involved in the Organising process.</p> <p>(a) Departmentalisation, Identification and division of Work, Establishing reporting relationship., Assignment of duties</p> <p>(b) Establishing reporting relationship, Departmentalisation, Identification and division of Work, Assignment of duties</p> <p>(c) Identification and division of Work, Departmentalisation, Assignment of duties, Establishing reporting relationship</p> <p>(d) Departmentalisation, Identification and division of Work, Assignment of duties, Establishing reporting relationship</p>	1
12	<p>Raman and Vasudev were two employees who were embezzling an import-export company in Varanasi where they were working. The finance manager of the company Sampat Singh became suspicious of the two employees when he realized that their activities were not being performed as per the plans. He installed a software program that could secretly log every single stroke of the suspects' computer keys and send an encrypted email report to the Cyber police. The police were able to catch the two dishonest employees red-handed and arrest them. Identify the function of management being discussed above.</p> <p>(a) Staffing (b) Coordination (c) Controlling (d) Organising</p>	1
13	<p>Read the following statements Assertion(A) and Reason(R). Choose one of the correct alternatives given below-</p> <p>Assertion(A)- The marketing concept strives to identify and meet the wants and requirements of customers in an efficient manner.</p> <p>Reason(R)- Products are purchased based on their quality and other attributes, according to the marketing theory</p> <p>(a) Both A and R are correct (b) A is correct R is incorrect (c) Both A and R are correct and R is the correct explanation of R (d) Both A and R are correct and R is not the correct explanation of R</p>	1
14	<p>The government of India has recently come up with an amendment to section 6 of the payment of wages act 1936, to allow employees of certain industries to make payment through various electronic modes of payments. The amendment will be applicable to all the public sector enterprises for wages disbursement using e-payment options. This is another milestone in the direction to further push to cashless economy. Identify the dimension of business environment which relate to the above-mentioned case.</p>	1

	<p>(a) Political Environment (b) Legal Environment (c) Technological Environment (d) All of these</p>													
15	<p>Like a thread in a garland, concept of management can be said to be as Central as thread in a garland</p> <p>(a)organizing (b)planning (c) directing (d)coordination</p>	1												
16	<p>Statement I: Demand and supply of financial assets and securities in financial markets help in deciding the prices of various financial securities; where business firms represent the demand and the households represent the supply.</p> <p>Statement II: Commercial Bill are also known as Zero Coupon Bonds.</p> <p>Choose the correct option from the following: (a) Statement I is true and II is false (b) Statement II is true and I is false (c) Both the statements are true (d) Both the statements are false</p>	1												
17	<p>“The most common of these are Diet Coke, since more number of people has become fitness and health conscious.” Identify the related feature of Business Environment.</p> <p>(a) Totality of external forces (b) Dynamic Nature (c) Inter-relatedness (d) Relativity</p>	1												
18	<p>Match the following tools of promotion with their features and choose the correct option</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">A. Building credibility</td> <td style="width: 10%; text-align: center;">1</td> <td style="width: 30%;">Personal selling</td> </tr> <tr> <td>B. Mass Reach</td> <td style="text-align: center;">2</td> <td>Sales Promotion</td> </tr> <tr> <td>C. Designed to encourage the buyers to make immediate purchases of a product or service.</td> <td style="text-align: center;">3</td> <td>Advertising</td> </tr> <tr> <td>D. Personal Form</td> <td style="text-align: center;">4</td> <td>Public Relations</td> </tr> </table> <p>(a) A(4) , B (3) , C (1), D(2) (b) A(1) , B (3) , C (2), D(4) (c) A(2) , B (3) , C (4), D(1) (d) A(4) , B (3) , C (2), D(1)</p>	A. Building credibility	1	Personal selling	B. Mass Reach	2	Sales Promotion	C. Designed to encourage the buyers to make immediate purchases of a product or service.	3	Advertising	D. Personal Form	4	Public Relations	1
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19	<p>From the following which is not a relevant feature of management as art:</p> <p>(a) Based on practice and creativity (b) Universal Validity (c) Existence of theoretical Knowledge (d) Personalized application</p>	1
20	<p>The main objectives of introducing liberalisation were the following except:</p> <p>(a) To restrict licensing requirements to only a few core industries. (b) To remove all restrictions related to scale of operation expansion or contraction of business activities. (c) To remove restrictions on the movement of goods and services. (d) To curb the freedom to fix prices.</p>	1
PART B		
21	<p>Anju and Manju are good friends. Considering the fact that the activities involved in managing an enterprise are common to all organizations, after completing their master's in business management, both of them take up a job at managerial level in different organizations as per their individual areas of interest. Anju takes up a marketing job in a retail company and strives to increase sales whereas Manju joins an NGO and works diligently to realize its objective related to providing employment to especially abled persons. Both of them have to perform a series of continuous, composite, but separate functions. On some days, Anju may spend more time in planning a future display layout and on another day, she may spend time in sorting out an employee's problem. Both Anju and Manju make conscious efforts to build a feeling of team spirit and coordination among diverse individuals with different needs who work under them. The effect of their management is noticeable in their respective departments as the targets are met according to plans, employees are happy and satisfied, and there is orderliness in its functioning rather than chaos.</p> <p>In context of the above case: Identify the any 3 features of management highlighted in the above paragraph by quoting lines from it.</p>	3
22	<p>Mr. Nath, a recently appointed production manager of Suntech Ltd., has decided to produce jute bags instead of plastic bags as these are banned by the government. He set a target of producing 1000 jute bags a day. It was reported that the employees were not able to achieve the target. After analysis, he found that employees were demotivated and not putting in their best for achieving the target. Mr. Nath's behaviour is good towards the employees. His attitude is always positive. So, he announced various incentive schemes for the employees like:</p> <ol style="list-style-type: none"> 1. Installing awards or certificates for best performance 2. Rewarding an employee for giving valuable suggestions 	3

	<p>3. Congratulating the employees for good performance</p> <p>1. Identify and define the functions of management highlighted in the above paragraph.</p> <p>2. State the incentive under which the employees are motivated.</p> <p style="text-align: center;">OR</p> <p>‘AS Ltd.’ is a large company engaged in assembling 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 assembling 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 CCTV that some of the workers were busy in gossiping.</p> <p>1. Identify the function of management discussed above.</p> <p>2. State the steps (first 2) in the process of the function identified which are discussed in the above paragraph.</p>	3
23	<p>Race Tech Ltd. is one of the top IT companies in India. The company does mass recruitment each year from different colleges offering fresher level job to the final year students. This helps in recruiting the brightest and the best available talent in the educational institutions.</p> <p>In context of the above case:</p> <p>1. Identify the source of external recruitment adopted by the company.</p> <p>2. Explain briefly any two advantages of using the external sources of recruitment.</p>	3
24	<p>Harsh works as a manager in a software company. He opened a Demat account with a broking house in order to trade in securities with the money he received as his first performance bonus. Since then he has been very active in stock trading under the guidance of a stock broker. However, when he was hospitalised for a few days this year, his wife received several calls from his stock broker for permission to transact on Harsh’s behalf. Though she told him to wait till her husband had recovered, the stock broker went ahead and executed the transactions. When Harsh got home from hospital, he discovered that the unauthorised transactions had led to a loss for him. Harsh complained to the broking house, but they claimed he had authorised the transactions. Keeping in view, the guidelines issued by the National Stock Exchange that he had read in the national newspaper Harsh demanded proof and threatened to file a complaint. Since, the broking house had no evidence that the deals had been authorised they made good the loss that Harsh had incurred due to the transactions.</p>	3

	<p>In the context of the above case:</p> <ol style="list-style-type: none"> 1. What is a Demat account? 2. Who is acting as the depository participant for Harsh? 3. Name the document that is legally enforceable and helps to settle the claims between the investor and the broker. 	
25	<p>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.</p> <p>In the above context:</p> <ol style="list-style-type: none"> 1. Identify and define 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 two other types of communication barriers. <p style="text-align: center;">OR</p> <p>Explain the following types of Leadership Styles:</p> <ol style="list-style-type: none"> 1. Democratic leadership 2. Laissez-faire 	4
26	<p>Blue Heavens Ltd. purchased a new machinery from Germany for manufacturing some 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 standards. On investigation, it was found that there was lack of knowledge of using these hi-tech machines. So, frequent visits by engineers were required from Germany but this resulted in high overhead charges. Hence, Training should be provided to the employees to develop their skills and abilities for producing quality products by using these hi-tech machines.</p> <p>State the four (4) benefits of imparting training to the employees.</p> <p style="text-align: center;">OR</p>	4

	<p>The workers of Vyam Ltd. are unable to work on new and hi-tech machines imported by the company to fulfill the increased demand. Therefore, the workers are seeking extra guidance from the supervisors. The supervisor is overburdened with the frequent calls of workers.</p> <p>Suggest how the supervisor, by increasing the skills and knowledge of workers, can make them handle their work independently? Also state any three benefits of training to the organization.</p>	4
27	<p>Sumit purchased an ISI marked washing machine of a famous brand ‘MG’ from TG Electronics Ltd. The shopkeeper asked him to wait for two days for installation of the machine. His friend, Vivek, was very fond of experimenting with new electronic products. He told Sumit that there is no need to wait for the company’s representative to install the machine and that he could do it. So, both of them installed the machine without following the manufacturer’s instructions. Initially, the machine worked effectively and the wash was good. But after two days, the machine started stopping in between the wash cycle. Sumit and Vivek tried their best to start the machine but failed in their efforts. Sumit, therefore, approached TG Electronics Ltd., which refused to provide any service on the plea that the installation of the machine was not done by the company.</p> <p>(a) State the responsibility which Sumit had to fulfil as an aware consumer to get the services of the company. (b) Explain briefly any 3 consumer’s rights.</p>	4
28	<p>‘R.K. Fertilizers Ltd.’ has planned to set up a plant for manufacturing urea fertiliser which has very high market potential as there is excess demand as compared to supply. The company is planning to operate at a higher scale which will require a bigger plant, more space, etc. The company has also planned to replace its plant and machinery as the same are prone to obsolescence with the change in technology. To meet the growing demand of fertilisers that may result in increase in profits, the company is also planning to diversify its operations. It wants to enter in the area of cement manufacturing. Thus, it is a capital-intensive project involving an investment of ₹3,000 crore.</p> <p>Identify and state any four factors affecting the fixed capital requirements of ‘R.K. Fertilisers Ltd’ discussed in the above para.</p>	4
29	<p>Riya was working as a manager in a hotel. During COVID-19 she lost her job. Now she has started her own restaurant which was providing immunity-boosting food. Her restaurant was a success and she was earning a good profit. To benefit the people of other areas with her immunity boosting food, she thought of starting three restaurants in three different cities. For this, she appointed three managers.</p> <p>She told all the managers that to be successful it is necessary that they should guide the people working in their respective teams about the work to be done by them, when they should do it and how they should do it. She also added</p>	4

	<p>that mere transfer of views or information is not sufficient, it is necessary that their instructions are implemented in the proper perspective, so that the organisation may achieve its objectives. To improve the performance level of employees, she suggested that they develop insights into causes of behaviour of people. They have to make subordinates act in a desired manner to achieve organisational goals.</p> <p>(a) Identify and state the function of management discussed in the above para. (b) State any three points of importance of the function identified in (a) above.</p>	
30	‘Sound financial planning is essential for the success of any business enterprise’. Explain this statement by giving any four reasons.	4
31	<p>1) Explain any two techniques of Scientific Management from the following:</p> <p>a) Functional Foremanship b) Fatigue Study c) Differential Piece Wage System</p> <p>2) Differentiate between Fayol Then and Now based on any three principles.</p> <p style="text-align: center;">OR</p> <p>1) Explain any two principles of Fayol from the following:</p> <p>a) Remuneration of Employees b) Centralisation and Decentralisation c) Scalar Chain</p> <p>2) Define the following terms of Modern Production/Scientific Management</p> <p>a) Just in time manufacturing b) Lean Manufacturing c) Kaizen</p>	<p>3+3 = 6</p> <p>3+3 = 6</p>
32	<p>Two years ago, Madhu completed her degree in food technology. She worked for some time in a company that manufactured chutneys, 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 an action plan to achieve the same.</p> <p>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 only organic crops. She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Mohan as the Production Manager who decided the exact manner in which the production activities were to be carried out. Mohan also prepared a statement showing</p>	6

	<p>the number of workers that will be required in the factory throughout the year. Madhu informed Mohan about her area wise sales target for different products for the forthcoming quarter. While working on the production table, a penalty of? 100 per day for not wearing caps, gloves and apron was announced.</p> <p>Quoting lines from the above paragraph, identify and explain (any3) types of plans discussed.</p> <p style="text-align: center;">OR</p> <p>Explain how planning:</p> <p>a) Planning provides directions b) reduces the risks of uncertainty c) reduces overlapping and wasteful activities</p>	6
33	<p>Radhika was a student of Business Studies of Class XII. Her father was a farmer who grew different varieties of rice and was well-versed in the various aspects of rice cultivation. He was also selected by the government for a pilot-project on rice cultivation. As a project work in Business Studies, she decided to study the feasibility of marketing good quality rice at a reasonable price. Her father suggested her to use the Internet to gather customers' views and opinions. She found that there was a huge demand for packaged organic rice. She knew that there were no predetermined specifications in case of rice because of which it was difficult to achieve uniformity in the output. To differentiate the product from its competitors, she gave it the name of 'Malabari Organic Rice' and classified it into three different varieties, namely — Popular, Classic and Supreme, based on the quality. She felt that these names would help her in product differentiation.</p> <p>1. Identify and explain in one or two lines, the three functions of marketing with reference to the above paragraph.</p> <p>2. Define the following terms:</p> <p>a. Brand Name b. Brand Mark c. Trade Mark</p>	3+3 = 6

34	<p>‘Home Creations Ltd.’ is a well-known chain of large department store offering various types of products under one roof. The company owns fifty stores in various parts of the country. Each store is placed under the charge of a manager who is allowed to run their stores autonomously by deciding about the products which may be promoted, appointment of staff, ways to handle customer complaints etc. As these managers have a deeper knowledge of the local situations, it enables them to take these decisions effectively keeping in view the local circumstances and consumers’ needs. This approach helps to improve customer service and at the same time serves to boost morale and increase the job satisfaction of the store managers as it empowers them to innovate and use their initiatives.</p> <p>In the context of above case:</p> <ol style="list-style-type: none">1. Identify and explain the policy followed by ‘Home Creations Ltd.’ to run their stores successfully.2. Also, give any three points highlighting the importance of the approach followed as identified in part (1) of the question.3. List any two values that ‘Home Creations Ltd.’ wants to communicate to its employees.	6
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