



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

**ASSESSMENT I -2022-23**

**Class: XII**

**BUSINESS STUDIES (054)**

**MARKS: 80**

| Q. No. | SECTION A:  | Marks |
|--------|---|-------|
| 1      | <p>Nitin the director of Apex ltd.is engaged in manufacturing furniture. He decided to keep one-third seats reserved for specially disadvantaged section of society. Which objective of management is discussed here?</p> <p>A. Individual objective<br/><b>B. Social objective</b><br/>C. Organisational objective<br/>D. Personal objective</p>                         | 1     |
| 2      | <p>“It involves leading, influencing and motivating the employees to perform the assigned task”, highlights one of the functions of management. Identify it.</p> <p>A. Staffing<br/>B. Planning<br/><b>C. Directing</b><br/>D. Controlling</p>  |       |
| 3      | <p>“One head One plan” is concerned with the following principle of Fayol</p> <p>A. Unity of command<br/><b>B. Unity of Direction</b><br/>C. Fair remuneration<br/>D. Division of work</p>  |       |
| 4      | <p>With the introduction of mineral water bottle in India, Bisleri was able to capture the big market share in India Which importance of business environment is highlighted in above case?</p> <p>A. Helps in tapping resources<br/>B. Help in policy making<br/>C. Improve performance<br/><b>D. Help to identify opportunity and getting first mover advantage</b></p> | 1     |
| 5      | <p>The detailed description of the manner in which a task is to be performed is called _____<b>METHOD</b></p>   | 1     |
| 6      | <p>Delegation of authority merely means the granting of authority to subordinates to operate</p> <p><b>A. Within prescribed limits</b><br/>B. Beyond prescribed limits</p>  | 1     |

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|    | <p>C. If commensurate with responsibility<br/>D. Only when required</p>  |   |
| 7  | <p>Pricing objectives does not include:<br/>A. Market Share Leadership<br/>B. Surviving in a competitive market<br/>C. Cover the entire cost of a product<br/><b>D. To deliver goods to rural areas.</b></p>   | 1 |
| 8  | <p>Which element of marketing mix is responsible for making the goods available from the manufacturer to consumers?</p> <p>A. Product mix<br/>B. Price mix<br/><b>C. Place mix</b><br/>D. Promotion mix</p>  | 1 |
| 9  | <p>----- is a type of plan that does not allow for any flexibility or discretion<br/><b>RULE</b></p>   | 1 |
| 10 | <p>From the early days of the business of Facebook, the single most important driving force has been to find technological solutions to cope with the crazy growth rate. However, in addition to coping brilliantly with the pressures of growth, Facebook has also tried to keep moving ahead. New facilities are offered regularly, mostly designed in-house, but some designed by users. Facebook is unusual in providing its computer programming information freely to anyone who wants to use it to develop a new service. Identify the element of business environment mentioned above.</p> <p>A. Economic Environment<br/>B. Social Environment<br/><b>C. Technological Environment</b><br/>D. Legal Environment</p> | 1 |
| 11 | <p>‘A worker is wasting time in search of toolbox in the organisation’. Which principle of Fayol is violated here?</p> <p>A. Equity<br/>B. Discipline<br/>C. Scalar Chain<br/><b>D. Order</b></p>  | 1 |
| 12 | <p>Business Environment includes both ‘specific and general forces’. Identify specific forces from the following</p> <p>A. Economic environment<br/><b>B. Customer</b><br/>C. Political environment<br/><b>D. Suppliers</b></p>  | 1 |

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| 13 | <p>‘To see whether plans are being implemented and activities are being performed according to schedule’, is a step of planning process. Identify the step from the following options;</p> <p>A. Selecting the best plan<br/> B. Evaluating alternative course of action<br/> <b>C. Follow up action</b><br/> D. Implementing the plan</p>  | 1 |
| 14 | <p>The manager, Mr. Yash, strictly adheres to the organizational plan. The plan lays down maximum of 20% discount to be offered to customers on sale of goods. Mr.Yash could not provide 20.5% discount on a large order to Mr. Jhujhar (an old customer) when he demanded the same. The firm lost the large order and hence, incurred losses. Identify the limitation of planning discussed here.</p> <p><b>Planning leads to rigidity</b></p>   | 1 |
| 15 | <p>Anita decided to start a business of selling dress material from her house. She did various online service to find out about the preferences of prospective customers. Based on this, she prepared a detailed analysis of the business. She then made important decisions including deciding about the features, quality, packaging, labelling and branding of the dress material. Identify the element of marketing mix discussed above.</p> <p>A. Production.<br/> B. Market<br/> <b>C. Product.</b><br/> D. Place</p> |   |
| 16 | <p>According to this principle of general management, “an organisation should safeguard against abuse of managerial power, but at the same time a manager should have the necessary authority to carry out his responsibility.” Name the principle of management being described in the given statement.</p> <p>A. Discipline<br/> <b>B. Authority and responsibility</b><br/> C. Unity of command<br/> D. Unity of direction</p>   | 1 |
| 17 | <p>A popular brand of hair conditioner comes in different categories for different hair, say for normal hair and for other categories.” Identify the function of labelling in the above example.</p> <p>A. Providing information regarded by law<br/> B. Describe the product and specify its contents<br/> <b>C. Grading of products</b><br/> D. Promotion of products.</p>  | 1 |
| 18 | <p>It is defined as the framework within which managerial and operating tasks are performed.</p> <p>A. Span of management<br/> <b>B. Organisational structure</b><br/> C. Informal organisation<br/> D. None of the above</p>   | 1 |

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| 19 | <p>In order to get feedback about its recently launched immunity booster ayurvedic medicine, Atulya Ltd. conducted online survey using a questionnaire, to gather consumers view and opinions. Identify the marketing function being used by Atulya limited.</p> <p>A. Standardization<br/> B. Product designing.<br/> C. Consumers support service.<br/> <b>D. Gathering and analyzing market information.</b></p>  | 1 |
| 20 | <p>Which principle of general management advocates that, “Employee turnover should be minimised to maintain organisational efficiency.”?</p> <p>A. <b>Stability of personnel</b><br/> B. Remuneration of employees<br/> C. Equity<br/> D. Esprit De Corps</p>  | 1 |
|    | <p>PART -B</p>   |   |
| 21 | <p>Explain in detail any three characteristics of management<br/> Goal oriented process, multi -dimensional, all pervasive, an intangible force etc</p> <p style="text-align: center;">OR</p> <p>It is a binding force that combines all the functions of management<br/> a) Identify the above - mentioned force.<br/> Coordination<br/> b) Explain any two characteristics of the identified force.<br/> Any two features of coordination</p>  | 3 |
| 22 | <p>‘Himalaya Ltd.’ is engaged in manufacturing of washing machines. The target of the organization is to manufacture 500 washing machines a day. There is an occupational specialization in the organization which promotes efficiency of employees. There is no duplication of efforts in such type of organization structure.<br/> Identify the type of organization structure discussed above<br/> Discuss any two demerits of the identified structure.<br/> Functional Structure (1 Mark)<br/> Demerits of functional structure (Any two – 2 marks)</p> | 3 |
| 23 | <p>(i) Name and explain the principle of management which requires judicious application of penalties by the management.<br/> (ii) Name and explain the technique of scientific management which helps in establishing interchangeability of manufactured parts and products.<br/> Discipline, Standardisation and simplification of work</p>  | 3 |

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| 24      | <p>Explain in detail any THREE limitations of planning<br/>         Planning is a time consuming process, may not guarantee success, leads to rigidity, may not work in a dynamic environment, costly process (Any 3)</p>   | 3 |
| 25      | <p>Naman and Govind after finishing their graduation under vocational stream decided to start their own travel agency which will book Rail Tickets and Air Tickets on commission basis. They also thought of providing tickets within ten minutes through the use of internet. They discussed the idea with their Professor Mr. Mehta who liked the idea and suggested them to first analyse the business environment which consists of investors', competitors and other forces like social, political etc. that may affect their business directly or indirectly. He further told them about the technological improvements and shifts in consumer preferences that were taking place and hence they should be aware of the environmental trends and changes which may hinder their business performance. He emphasised on making plans keeping in mind the threat posed by the competitors, so that they can deal with the situation effectively. This alignment of business operations with the business environment will result in better performance.</p> <ol style="list-style-type: none"> <li>1. Identify and state the component of business environment highlighted in the above Para.</li> <li>2. State any two features of business environment as discussed by Professor Mehta with Naman and Govind.</li> </ol> <p>Technological Environment is the component of business environment highlighted in the above Para. Technological Environment includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.</p> <p>The two features of business environment as discussed by Professor Mehta with Naman and Govind are as follows:</p> <ol style="list-style-type: none"> <li>1. Dynamic nature: It is dynamic in nature and keeps on changing due to technological upgradations, shifts in consumer preferences or increase in competition in the market.</li> <li>2. Inter-relatedness: All the elements of business environment are closely interrelated. Therefore, any change in one element may necessitate corresponding changes in the other elements as well.</li> </ol> | 3 |
| PART -C |   |   |

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| 26 | <p>“A good understanding of environment by business managers enables them not only to identify and evaluate but also to react to the forces external to their firm.” In the light of the above statement explain any four points of importance of understanding business environment by a manager.</p> <p>Enables the identification of opportunities and getting the first mover advantage, helps in identification of threats and early warning signals, helps in tapping useful resources, helps in coping with rapid changes, helps in planning and policy formulation, improvement in performance ( Any 4 with explanation – 4 marks)</p>   | 4 |
| 27 | <p>To set up and run a successful business it is not only essential to lay down the clear cut objectives but it also necessary to identify the different activities to be performed and develop relationship between the physical and human resources.</p> <p>(a) Which function of Management is being referred to?<br/>Discuss the importance of the function identified in part (a) (Any 3)</p> <p>(a) Which function of Management is being referred to?<br/>ANS: Organising (1 Mark)</p> <p>(b) Discuss the importance of the function identified in part (a)</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Benefits of Specialisation</li> <li><input type="checkbox"/> Clarity in working relationships</li> <li><input type="checkbox"/> Optimum utilization of resources</li> <li><input type="checkbox"/> Adaptation to change</li> <li><input type="checkbox"/> Effective administration</li> <li><input type="checkbox"/> Development of personnel</li> </ul> <p>Expansion and growth (any three merits with explanation -3 Marks)</p>   | 4 |
| 28 | <p>“Time Line” watch manufacturing company is a renowned company marketing watches. It performs various activities like, market analysis, product designing or merchandising, packaging, warehousing, branding, pricing, promotion and selling. The company maintains good customer relations through various follow up activities. This helps the company in procuring repeat sales orders.</p> <p>Name the concept related to the activities mentioned in the above paragraph.<br/>Explain any two features of the concept identified in part (1)</p> <ol style="list-style-type: none"> <li>1. Marketing is the concept related to the activities mentioned in the above paragraph.(1 mark) <ul style="list-style-type: none"> <li>o any two features of marketing with exp – 2 marks</li> </ul> </li> </ol> <p style="text-align: center;">OR</p> <p>Rupali intends to start an enterprise that produces chocolates. Initially, in order to assess the taste and preferences of the people about the chocolates. She used social media and online surveys. Thereafter, she prepared a detailed SWOT (strengths, weaknesses, opportunities and threat) analysis of her enterprise to devise a strategy that will give her an edge over the competitors. Based on her analysis of the market, she decided to launch sesame and jaggery based chocolates under the brand name ‘Desi Delight’. She has decided to fix up the price</p> | 4 |

of chocolates relatively at lower level in the beginning and later on as the demand picks up she may revise the prices.

In the context of above case:

Identify the elements of marketing mix being taken into consideration by Rupali.

Explain briefly the functions of marketing highlighted here.

Do you think she has selected an appropriate brand name for her product? Why or why not?

Give a reason for your answer.

The elements of marketing mix being taken into consideration by Rupali are Product and Price.

The functions of marketing highlighted here are explained below:

Gathering and analysing market information: The prime focus of marketing is to 'find wants and fill them'. Therefore, it is absolutely essential for a company to study the needs and preferences of its target market in order to satisfy their needs and wants optimally.

Product designing and development: Every marketer strives to achieve his marketing objectives by creating offerings to satisfy a need or a want. Therefore, one of the core function of marketing is to develop the product in the most effective and efficient way. Every marketer endeavours to add value to his product by introducing constant innovations in the product to enhance both its utility and attractiveness in the eyes of the potential buyers and gain a competitive edge.

Pricing: Price is the monetary value paid in consideration for purchase of a product or service by a buyer to its seller. The process of determining the price of a product or service is called pricing. It is a crucial decision for the marketers as consumers are very sensitive to the pricing. The factors affecting price determination are cost of product, the utility and demand, extent of competition in the market, government and legal regulations, pricing objectives and marketing methods used.

Yes, she has selected an appropriate brand name 'Desi Delight' for her product as the name reflects on the product's benefits and qualities. The word 'Desi' indicates that the product contains indigenous ingredients like sesame and jaggery and Delight denotes the pleasure that the person is going to get on consuming the delicious chocolates.

PART D

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| 29 | <p>The Indian Pharmaceutical industry has realized that the different types of bacteria have become resistant to the existing antibiotics. To ensure that this may not lead to major medical issues in future, they have started working on this issue. If things go as anticipated, then a new antibiotic for such bacteria, based upon the Made-In-India compound would hit the market by 2023.</p> <p>(a) Which function of Management is being performed in the given situation?<br/>ANS: Planning (1)</p> <p>(b) Discuss its importance.<br/>ANS: Importance of planning : (any 4 with explanation– 4 marks)</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Planning provides directions.</li> <li><input type="checkbox"/> Planning reduces the risks of uncertainty</li> <li><input type="checkbox"/> Planning reduces overlapping and wasteful activities</li> <li><input type="checkbox"/> Planning promotes innovative ideas</li> <li><input type="checkbox"/> Planning facilitates decision making</li> <li><input type="checkbox"/> Planning establishes standards for controlling</li> </ul> <p style="text-align: center;">OR</p> <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 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 Rs. 100 per day for not wearing caps, gloves and apron was announced.</p> <p>Quoting lines from the above paragraph, identify and explain the different types of plans discussed.</p> <p>Objectives: Objectives are the end results of the activities that-an organisation seeks to achieve through its existence. All other activities within the organisation are directed towards achieving these objectives.</p> <p>“One of her objectives was to earn 10% profit on the amount invested in the first year.”</p> <p>Policy: A policy is a set of general guidelines that helps in managerial decision making and action.</p> <p>“It was decided that the raw materials like fruits, vegetables, spices, etc. will be purchased on three months credit from farmers cultivating only organic crops.”</p> <p>Procedure: A procedure contains a series of specific steps to be performed in a chronological order to carry out the routine activities.</p> <p>“She also decided to follow the steps required for marketing of the products through her own outlets.”</p> <p>“The exact manner in which the production activities are to be carried out.”</p> | 5 |
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|    | <p>Rule: A rule is a specific statement relating to the general norms in terms of Do's and Dont's that guide the behaviour of people. It commands strict obedience and a penalty is likely to be imposed on its violation.</p> <p>“While working on the production table, a penalty of ? 100 per day for not wearing caps, gloves and aprons was announced.”</p> <p>Budget: A budget refers to a financial plan that is expressed in numerical terms.</p> <p>“Mohan also prepared a statement showing the number of workers different products for the forthcoming quarter.”</p>   |   |
| 30 | <p>Aman Chadha started ‘Bulls Eye’ a company for providing cyber security solutions to businesses. Its objective is to prevent, detect and respond to cyber-attacks and protect critical data. He was a hardworking software engineer and an expert in cyber security. His reputation grew by leaps and bounds as he was not only a person of integrity but also did his work with utmost honesty and sincerity. The business started growing day by day.</p> <p>He was delighted when he was offered a big project by the Ministry of Defence. While working on the project, he found that the volume of work made it impractical for him to handle all the work by himself. He decided to expand the team. The company maintained a close liaison with a local engineering college. During a campus placement, Ishan and Vrinda were appointed to work for the new project.</p> <p>He found the new employees capable, enthusiastic and trustworthy. Aman Chadha was thus, able to focus on objectives and with the help of Ishan and Vrinda, the project was completed on time. Not only this Aman Chadha was also able to extend his area of operations. On the other hand, Ishan and Vrinda also got opportunities to develop and exercise initiative.</p> <p>Identify the concept used by Aman Chadha in the above case which helped him in focusing on objectives.</p> <p>Also, state any four points of importance of the concept identified in (i) above</p> <p>Delegation of authority is the concept used by Aman Chadha in the above case which helped him in focusing on objectives. (1 Mark)</p> <p>Any four points of importance of delegation of authority (4 Marks)</p> | 5 |
| 31 | <p>Enumerate ‘Management as Art’<br/>(3 features of Management – 3 Marks)<br/>(Comparison with Management – 2 Marks)</p> <p>Or</p> <p>Explain any five importance of Management<br/>(Any 5 merits with explanation – 5 marks)</p>  | 5 |
|    | PART E   |   |

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| 32 | <p>Sun Cables, a small cable manufacturing company, was facing a lot of problem in their manufacturing process. It had different functional departments headed by the functional managers. Each department had a goal to achieve. At times, the workers in the production department would get the instructions from the marketing manager as well. This caused a little confusion in the minds of the workers. To discuss the problems, the supervisor directly approached the Managing Director who then called for an interdepartmental meeting with the production manager, marketing manager, supervisors and the representatives of the workers from both the departments.</p> <p>By quoting the relevant lines, identify and explain the principles of management followed and violated in the above case.</p> <p>ANS: Principles of management followed are: (3 Marks)</p> <p>(i) Unity of direction: It had different functional departments headed by the functional managers. Each department had a goal to achieve.</p> <p>(ii) Initiative: Managing Director called for an interdepartmental meeting with the Production Manager, Marketing Manager, Supervisors and representatives of the workers from both the departments..</p> <p>Principles of Management violated are: (3 Marks)</p> <p>(i) Unity of command: At times, the workers in the Production Department would get the instructions from the marketing manager as well.</p> <p>(ii) Scalar Chain: To discuss the problem, supervisor directly approached the Managing Director.</p> <p style="text-align: center;">OR</p> <p>Explain Functional foremanship and Scalar chain. Draw diagrams wherever necessary</p> <p>Explanation of functional foremanship (2 marks)</p> <p>Explanation of scalar chain (2 marks ) (diagram – 1 mark)</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>Explain the three functions of marketing with reference to the above paragraph</p> <p>Explain three other functions apart from the ones identified above.</p> <p>The three functions of marketing with reference to the above paragraph are described below:</p> <p>Gathering and analyzing market information: The prime focus of marketing is to 'find wants and fill them'. Therefore, it is absolutely essential for a company to study the needs and preferences of its target market in order to satisfy their needs and wants optimally.</p> <p>Standardisation and grading: Standardisation refers to the process of manufacturing goods as per predetermined specifications. Grading refers to the process of classifying goods on</p>  | 6 |

the basis of certain criteria like quality, size etc. Usually, agricultural products are subject to grading.

**Branding:** Branding is the process of assigning a name (brand name), sign or symbol (brand mark) or a combination of all to a product. It is considered to be a very important decision by the marketers because it facilitates product differentiation. This helps the company to obtain a desirable market share. (3 Marks)

Any three functions (other than the above) – 3 Marks

34

Differentiate between the types of organisational structure (Any four with basis)  
OR

Differentiate between the types of organisation (Any four with basis)

| Basis                  | Functional Structure   | Divisional Structure  |
|------------------------|--|---|
| Formation              | Formation is based on functions  | Formation is based on product lines and is supported by functions.                                    |
| Specialisation         | Functional specialisation.   | Product specialisation.   |
| Responsibility         | Difficult to fix on a department.  | Easy to fix responsibility for performance.   |
| Managerial Development | Difficult, as each functional manager has to report to the top management. | Easier, autonomy as well as the chance to perform multiple functions helps in managerial development. |
| Cost                   | Functions are not duplicated hence economical                              | Duplication of resources in various departments, hence costly.  |
| Coordination           | Difficult for a multi-product company.                                     | Easy, because all functions related to a particular product are integrated in one department.         |

OR

6

| Basis                 | Formal organisation  | Informal organisation  |
|-----------------------|--|--|
| Meaning               | Structure of authority relationships created by the management | Network of social relationships arising out of interaction among employees               |
| Origin                | Arises as a result of company rules and policies               | Arises as a result of social interaction   |
| Authority             | Arises by virtue of position in management                     | Arises out of personal qualities   |
| Behavior              | It is directed by rules  | There is no set behaviour pattern  |
| Flow of Communication | Communication takes place through the scalar chain             | Flow of communication is not through a planned route. It can take place in any direction |
| Nature                | Rigid  | Flexible   |
| Leadership            | Managers are leaders.  | Leaders may or may not be managers. They are chosen by the group.                        |