



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

**ASSESSMENT- I -2024-25**

**BUSINESS STUDIES (054)**

**CLASS: XII**

**MARKS: 80**

**DATE: 26/09/2024**

**TIME: 3 HOURS**

***General instructions:***

Read the following instructions very carefully and strictly follow them:

- (i) This question paper contains 34 questions. All questions are compulsory.
- (ii) Marks are indicated against each question.
- (iii) Answers should be brief and to the point.
- (iv) Answers to questions carrying 3 marks may be from 50 to 75 words.
- (v) Answers to questions carrying 4 marks may be in about 150 words.
- (vi) Answers to questions carrying 6 marks may be in about 200 words.
- (vii) Attempt all parts of a question together.

Q. No.	Questions	Marks
1	Ashutosh Goenka was working in 'Axe Ltd.', a company manufacturing air purifiers. He found that the profits have started declining from the last six months. Profit has an implication for the survival of the firm, so he analyzed the business environment to find out the reasons for this decline. Which level of management Ashutosh Goenka was working a. Top level management b. Middle level management c. Operational level management d. Lower level management	1
2	Ramarjuna joins an IT firm as a system analyst after completing his masters in Computer Science. As the nature of his work demands he has to work in very close coordination with all the departmental heads in the firm, very soon Ramarjuna realizes that each departmental head has own individual style of working. They differ greatly in their day-to-day approach to work. They tend to deal with a given situation, an issue or a problem through a combination of their own experience, creativity, imagination,	1

	<p>initiative and innovation. In the context of the above case, which nature of management highlighted in the above case.</p> <ol style="list-style-type: none"> <li>Management is an art</li> <li>Management is science</li> <li>Management is profession</li> <li>None of these</li> </ol>	
3	<p>Pakka employment is a company which takes care of the fact that the confidence of the employees should always be at its peak. For this reason, they give surety to their employees for employment for a minimum fixed tenure of time. Which principle of management is followed here?</p> <ol style="list-style-type: none"> <li>Stability of personnel’.</li> <li>Esprit De Corps</li> <li>Initiative</li> <li>None of these</li> </ol>	1
4	<p>Ramesh is the owner of a printing press. The size of his organisation has increased during the recent past. There are many employees who work in his organisation. The organisation is considered good and has earned a lot of reputation in the market. However, when it comes to making key decisions in the organisation related to many things he never considers the opinion of his subordinates. Even though the size of the organisation has increased yet he tries to take all the key decisions on his own. Which principle of Fayol has been violated by him?</p> <ol style="list-style-type: none"> <li>stability of personnel’.</li> <li>Esprit De Corps</li> <li>Initiative</li> <li>Centralisation and Decentralisation.</li> </ol>	1
5	<p>A company is a component of market. It utilises various raw materials, labour force, human resources, power, water, other sources, etc. When all these resources are utilized output is produced. But before output is produced the input has to go through various operations. These operations convert the raw materials into final products which are then sold in the market. In the above paragraph which importance of Business Environment is highlighted?</p> <ol style="list-style-type: none"> <li>Helps in tapping useful resources.</li> <li>It enables the firm to identify new opportunities when they arise, and getting the first mover’s advantage</li> </ol>	1

	<p>c. It helps the firm to identify forthcoming threats and early warning signals.</p> <p>d. It helps in assisting planning and policy formulation.</p>	
6	<p>Advertisements of a protein supplement must inform the potential buyer that the product if taken beyond a given dose can be harmful to the diabetics. Which dimension of business environment is highlighted here?</p> <p>a. Economic</p> <p>b. Technological</p> <p>c. Social</p> <p>d. Legal</p>	1
7	<p>Naman is a very intelligent planner. He knows the market pretty well. For last 15 years he has been leading several successful projects for his company. Company gives him responsibility to start a new project in S. America. With his experience he makes assumptions about all the possible future scenarios. Which step of the planning process is the above paragraph related to?</p> <p>a. Setting objectives</p> <p>b. Developing premises</p> <p>c. Identifying alternative courses of action</p> <p>d. Evaluating alternative courses</p>	1
8	<p>Dinesh takes a meeting and guides his employees in a type of plan which is chronological in nature and is situation specific. It is a collection of various methods in a step wise sequence. Identify the plan</p> <p>a. Policy</p> <p>b. Method</p> <p>c. Procedure</p> <p>d. Budget</p>	1
9	<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.</p> <p>Name the function of management discussed above.</p> <p>a. Planning</p> <p>b. Organising</p>	1

	<p>c. Staffing</p> <p>d. Directing</p>	
10	<p>An organisation is working by clubbing similar related jobs under different departments. The HR department is not in direct touch with the Marketing Department and this has created problems. The HR head feels that he only knows about the HR department and similar is the case with the Marketing department. However, the truth is both of them have limited and specific skills.</p> <p>Which type of organisation structure does this organisation has?</p> <ol style="list-style-type: none"> <li>Functional structure</li> <li>Divisional Structure</li> <li>Formal structure</li> <li>Informal structure</li> </ol>	1
11	<p>Steelo Ltd decided to set-up its steel manufacturing factory in the backward area of Orissa where very less job opportunities were available. People of that area welcomed this effort of 'Steelo Ltd.' To attract people to work in its factory it also decided to provide many other facilities like school, hospital, market, etc. in the factory premises.</p> <p>'Steelo Ltd.' started earning huge profits. Another competing company asked its production manager 'Aslam' to investigate the reasons of earning huge profits by 'Steelo Ltd.'</p> <p>Aslam found that in both the companies there was systematic coordination among the various activities to achieve organizational goals. Every employee knew who was responsible and accountable to whom. The only difference was that in his organization communication took place only through the scalar chain whereas 'Steelo Ltd.' was allowing flow of communication in all the directions as per the requirement which lead to faster spread of information as well as quick feedback. Identify the type of organization which permits 'Steelo Ltd.' the flow of communication in all the directions.</p> <ol style="list-style-type: none"> <li>Formal Organisation</li> <li>Informal Organisation</li> <li>Functional organisation</li> <li>Divisional Organisation</li> </ol>	1
12	<p>Alpha Enterprises is a company manufacturing water geysers. The company has a functional structure with four main functions— Production, Marketing, Finance and Human Resource. As the demand for the product grew, the company decided to hire more</p>	1

	<p>employees.</p> <p>Identify the concept which will help the Human Resource Manager in deciding the actual number of persons required in each department.</p> <ol style="list-style-type: none"> <li>Work force analysis</li> <li>Work load analysis</li> <li>Training</li> <li>None of these</li> </ol>	
13	<p>Aditya 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>Name the step the organisation will include.</p> <ol style="list-style-type: none"> <li>Estimating manpower requirement</li> <li>Recruitment</li> <li>Staffing</li> <li>Performance appraisal</li> </ol>	1
14	<p>Anjana chemicals is looking for qualified and talented people to apply for vacant jobs in the organisation. With the passage of time the organisation has learned a lot with its experience. It knows when it goes for final selection of candidates, it will have to design different tests. They want to test the employees on the basis of their learning and decision-making ability. The company wants to ensure proper testing of the recruited candidates. After this the candidates will be judged on the basis of in-depth formal conversation.</p> <p>After the selection the candidates are placed and trained. Employees have to be trained on the equipment they will be using but this training will take place away from the workplace. Which type of test should be conducted done by the organisation to suit their need?</p> <ol style="list-style-type: none"> <li>Aptitude test</li> <li>Intelligence test</li> <li>Trade test</li> <li>Interest test</li> </ol>	1
15	<p>Rajeev is an HR manager leading a team of 12 people. He knows that the duties and responsibilities of an HR employee are challenging. He knows in order to make his team work with a positive frame of mind, he will have to set a personal example as a</p>	1

	<p>role model and influence their behaviour and working style to increase the output of his team.</p> <p>Identify the element of directing stated in the above case</p> <ol style="list-style-type: none"> <li>Motivation</li> <li>Leadership</li> <li>Communication</li> <li>Supervision</li> </ol>	
16	<p>Rajeev is concerned about his new job. He has got a good job but the problem is distance. He is very far from his home and his family needs his support. Identify the step of motivation process</p> <ol style="list-style-type: none"> <li>Tension</li> <li>Reduction of Tension</li> <li>Search Behaviour</li> <li>Unsatisfied need</li> </ol>	1
17	<p>Virendra works in an organisation. He is part of the organisation for last 20 years. During all these years inspite of his best performance in the organisation he hasn't yet reached the post of Vice president. Identify the Maslow's needs applicable in the case of organisational set up:</p> <ol style="list-style-type: none"> <li>Esteem need.</li> <li>Affiliation needs.</li> <li>Basic physiological need.</li> <li>Self actualisation need.</li> </ol>	1
18	<p>In a renowned hospital having 300 beds, the CEO of the hospital congratulates the exceptionally performing employees by meeting in person. Sometimes the name of the employee of the month is displayed on the notice board at the main entrance along with his/her photograph. Recently the company went a step ahead and distributed T-shirts to the employees who have been among the top 3 performers. On the Employee Day every year employees who contribute a lot are either rewarded or awarded.</p> <p>Which type of non-financial incentive is this</p> <ol style="list-style-type: none"> <li>Job enrichment.</li> <li>Employee recognition</li> <li>Job security</li> <li>Employee participation</li> </ol>	1

19	<p>What will be the corrective action for defective machinery?</p> <p>(a) Sell at the book value</p> <p>(b) Sell at a loss</p> <p>(c) Sell at a profit</p> <p>(d) Repair or Replace the machine</p>	1
20	<p>Planning without controlling is _____</p> <p>(a) Cheap</p> <p>(b) Effective</p> <p>(c) Meaningless</p> <p>(d) Costly</p>	1
21	<p>Josh Enterprises decides to have a meeting of all the key employees of different departments in the organisation. The main motive is to tell the employees to keep the target of 20% increase in sales as the main objective when they work throughout the year. The meeting is full of ideas regarding the employees and processes involved. Various plans are made to harness the potential of the employees and streamline the processes. However, with the passage of a few days the external business environment checks the capability of the organisation to adapt to the situations. The company successfully comes out at the end of the year with flying colours.</p> <p>What are the various characteristics of management you can find highlighted here? Also identify the lines in which these characteristics have been highlighted.</p>	3
22	<p>Suresh works in a bulb manufacturing company. Each bulb which is manufactured is of standard size and quality. Further if there is any unrequired type of bulb manufactured then its production is stopped. Last month when the company came to know that 10 watt bulbs were no more liked by customers, their production was stopped. He works in the purchase department. His job is to purchase the filaments required to make bulbs. This time when he purchases the filament he gets the instruction from the seller that some special care needs to be taken in the first hour of fixing the filaments inside the bulb. Suresh knows this information should be given immediately to the production department before the assembling process starts. However, he finds that his company's policies only allow him to give the message to his immediate boss who will further pass this message to his boss. The passing of this message will continue till it reaches the desired person in the</p>	3

	<p>production department.</p> <p>Which technique of management is followed here? Also name the principle of management followed here by the company? Which option is now available to Suresh since the company is not allowing him to interact with the concerned worker in the production department?</p> <p style="text-align: center;"><b>OR</b></p> <p>Bhatkaav Enterprises is facing huge losses. The owner of the company is an MBA pass out. Even then many things in the organisation are happening which are indicative of lack of proper management in the company. First of all there is no specific sharing of work and any time any employee is asked to do anything. This has lead to wastage of efforts. Further due to negligence in proper work sharing there has been no specialisation development in the nature of the jobs done by the employees. There are no clear and fair agreements between the workers and the management. This has led to a lot of frustration in the workers. Management has quite often been found to be ignorant of not fulfilling promises done by it. There are also no strict rules and regulations binding on the conduct of the workers. The departmental heads who are the middle level managers in the company and hold key positions always favour their relatives. They quite often don't turn up for job on time. They are always looking for special relaxations from the top management. This has led to feeling of resentment among the employees who are also demanding special favours and threatening strike in the coming days.</p> <p>Identify the three principles of Fayol violated in the above case.</p>	
23	<p>Money Makers' is a leading toy manufacturing company. With the help of proper delegation, it has enabled the existence of proper workforce to take up leading positions in several challenging projects. The company has been in news for good reasons related with innovation. Due to proper delegation the relationships between the superiors and the subordinates are properly defined at various levels leading to creation of a strong management structure. Last year it was awarded for good administration. Due to proper delegation there is no overlapping of duties and duplication of efforts as there is clarity of working relationships. The company is acting as a role model for other players in the industry. The productivity of the organisation has improved as it is very organized. Specific jobs are done only by specific workers resulting in increase of efficiencies at individual levels. The</p>	3



	<p>company is now thinking of going global and has recently opened a branch in Europe. However, the conditions are going to be different there. Keeping in mind the strong organizing of the company it is expected that it will be able to modify its organisational structure and prove its superiority there also. Recently a meeting is held by the top management. It is decided that the organisation will go for a major shift in policy decision and involve the lower level of management in decision making. The size of the company is growing so it will require more participation from the employees.</p> <p>Identify the three advantages of delegation highlighted above.</p> <p style="text-align: center;"><b>OR</b></p> <p>Aasmaan Colours' is a profit making colour producing company. The company deals in making different types of colours used in painting. The organisation has always been systematic in its approach and due to good organizing has seen a continuous increase in its revenue. Workers are given their respective jobs clearly which leads to gaining of experience since they do their respective jobs on a regular basis leading to high productivity. The organisation has many challenges and it wants to improve. There is no doubt in the lines of communication and everyone knows who has to report whom. With passage of time, there is more need to connect with the employees. They are the most important asset to the organisation. When managers delegate work to their subordinates they set themselves free from routine jobs and this leads to great amount of learning for the subordinates in practical situations.</p> <p>Which points of importance of organizing has been highlighted in the above case?</p>	
24	State three merits of external sources of recruitment	3
25	ABC Ltd. decided to start its new venture in Delhi. For this they needed to understand the Business Environment of the area. It was realised by the company that the Business Environment of Delhi was very hard to understand unless and until it was divided into different business dimensions like legal, political, economic, social and technological conditions. After understanding the business situations, the company started to study the close links between different elements of the Business Environment. They gave a proper shape to their research and the business got started with full	4

	<p>force. Later they realised that the products they were selling in Delhi were more fit for the European culture and decided to start a new branch in Belgium where the demand of their products was very high from the first day. The company came to be recognized and, in few years, became a global brand. The reason for its success in different countries was the adaptability' it showed in meeting the changing environment. The company kept track of all happenings and did a periodic survey of the choices of the customers. It recognized that there was no surety in the nature of market and it was very unpredictable.</p> <p>Which features of Business Environment have been highlighted in the above case? Identify the lines which highlight these features.</p> <p style="text-align: center;"><b>OR</b></p> <p>Identify and explain the dimensions of business environment in the following cases:</p> <ol style="list-style-type: none"> <li>1. Hand-woven carpets are banned in some European countries as they think there can be involvement of child labour in the manufacturing of these carpets. Products produced through the involvement of child labour are banned in these countries.</li> <li>2. With the winning of a new party in a particular country an automobile company has decided to take back its plan of opening 15 plants in that country.</li> <li>3. In the month of October, a greeting card manufacturing company has decided to increase its scale of production of New Year Greeting Cards.</li> <li>4. A chocolate making company has decided to make more sweetened chocolates for people living in a particular country.</li> </ol>	
26	<p>An established firm has fifty years of experience in shipping industry. The company time and again proves itself as one of the dominant figures in the market. The plan for the whole year is given a lot of importance. According to the owner of the company their plans are the basic structures upon which other important functions of management rest. It is important that the plans are communicated to the employees. The top management ensures that the plans are communicated and implemented at all levels and in all departments. To learn from past mistakes is a habit of this successful company. They prepare plans for short term as well as long term where it can be seen that throughout the year the plans are prepared one after another. Shipping industry needs such dedicated companies. The goals are specific and the activities to</p>	4

	<p>achieve these specific goals are undertaken. The company has planned a growth of 20% in revenue this year. Let's see how much it's possible for it to achieve it by the end of the year. In the above case identify the various features of planning highlighted.</p> <p style="text-align: center;"><b>OR</b></p> <p>A shoe manufacturing company wants to become a market leader. For this a detailed planning is required. The first step taken by the firm is to set targets for the three months duration for selling maximum number of shoes in the market which they set as 2,50,000. The team doesn't want to make any mistake so they decide to do proper planning. They decide to chalk out alternative plans so that they can arrive at the best possible plan. However the team is surrounded with doubts. To remove doubts it goes for judging the plans to get the most profitable one. The plan is taken to the whole organisation and the concerned persons. Ultimately it is put into action. Without much caring for the results the company starts working on the other project simultaneously. Identify any four steps in the planning process which have been applied by the organisation in the above case?</p>	
27	<p>Samir 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. Samir 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> <ol style="list-style-type: none"> <li>1. Identify the concept used by Samir Gupta through which he was able to steer his company to greater heights.</li> <li>2. Also explain any three points of importance of this concept.</li> </ol>	4
28	<p>Pluto Utensils is a very old manufacturing company. Recently it was found by the management that the employees who were working in the organisation were lethargic with limited skills. The</p>	4

	<p>management compared its organisation with that of others and found a huge difference. When a proper analysis of job positions and their occupants was done it was found that many of them were not working at places suitable to them. This increased the worry of the management. The organisation had already spent five decades in the industry and was worried about the successful continuation of business which required capable future managers but the current employees were not much capable. The company had recently suffered huge losses. It was running out of budget. To add to its problems the number of employees was more than required so the company had to bear additional cost. It is said that one bad thing leads to another. This came true for the company when there was some negative reporting about its HR practices in a daily newspaper where it was mentioned that the employees were not satisfied and suffered with low morale. The scene forty years back was different when the company used to be the number one brand in its segment.</p> <p>Which function of management doesn't seem to be working well for the company in the above case?</p> <p>Identify any three benefits, associated with the proper utilisation of this function, the company would have enjoyed if everything had worked in its favour.</p>	
29	<p>Ramesh who has recently received award of the most talented manager is very able. He has helped the starting of various halted projects by guiding his subordinates and removing their doubts through proper directing. This has helped the workers achieve their targets on time. He knows that every member of the team is important for the completion of a project. So, he guides his team in such a manner that every single effort of every single employee matters and is directed towards the achievement of objectives. There is a lighter side to his personality also. He is very jovial. He cares about his team. This has helped him bring cooperation and commitment among his team members thus bringing a unique balance between activities and the group. However, this has not prevented him from having a keen vision of a leader. Whenever the subordinates resist any change he tries to bring their cooperation by proper explanations and consistent efforts. The top-level management also sees a big role for him in the future.</p> <p>Identify the different points of importance of directing highlighted in the above case.</p>	4
30	<p>Explain the concepts of Management by exception and Critical Point Control</p>	4

31	<p>Explain any four limitations of Planning OR Explain any four points of importance of Planning.</p>	6
32	Distinguish between Functional Structure and Divisional Structure.	6
33	<p>A company manufactures very sophisticated switch gears used in automatic cars. For this the company uses hi-tech machines. Most of the times the workers of the factory remain idle because of lack of knowledge regarding the use of these hi-tech machines. The frequent visits by the engineers and constant supervision of the foreman results into high overhead charges.</p> <p>Explain the way by which this problem can be overcome. Also state how this helps the employees.</p>	6
34	<p>Mr. Sikka is an exceptional team leader. He knows that for a team to achieve its goals and progress nicely communicative effectiveness is required. He always maintains what he says, focuses on future goals of the organisation and never goes against his commitments. You can find him most of the times busy communicating with his superiors or subordinates. When he once delivers the message he always checks whether his team is able to understand the concept he is trying to communicate and he does it through proper questioning. He has a very pleasing personality. Whenever he delivers a speech he focuses on his language, his voice and the sentiments of his listeners. He is a real team leader. He gives members of his team opportunities to express themselves. Whenever he is about to make a speech he consults his team members for developing a plan of communication by their participation and involvement. He always says that whatever is useless should be rejected and whatever is useful should be accepted. His purpose of speaking is to help others. He believes that a speech should be such which takes into consideration interests and needs of the listeners. There is a lot one can learn from Mr. Sikka's personality.</p> <p>In the above case which measures of communicative effectiveness have been adopted by Mr. Sikka? Identify and explain (any 4).</p>	6