



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

**CLASS XII- ASSESSMENT I -2023-24**

**DATE: /09/2023**

**BUSINESS STUDIES (054)**

**MARKS: 80**

**ANSWER KEY**

Q. No.		Mark s
1	Top level	1
2	Economic	1
3	If a firm wants to attain product quality leadership, it should charge lower prices.	1
4	Societal Marketing concept	1
5	Liberalization	1
6	a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).	1
7	Personal selling	1
8	Divisional structure	1
9	Lobbying	1
10	Span of management	1
11	Standing plan	1
12	Demonetised	1
13	Exchange mechanism	1
14	Centralization	1
15	a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).	1
16	a. Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)	1
17	Effectiveness	1

18	Planning	1
19	Relying on previously tried and tested successful plan just because it had worked before and will work again	1
20	Delegation	1
21	<p>a. Identify and explain the type of organization the cricket fan club is? Ans: Informal organization (<math>\frac{1}{2}</math> – <math>\frac{1}{2}</math>)</p> <p>b. State any two disadvantages of the organization identified above. Ans: (2 mks)</p> <p>(a) When an informal organisation spreads rumours, it becomes a destructive force and goes against the interest of the formal organisation.</p> <p>(b) The management may not be successful in implementing changes if the informal organisation opposes them. Such resistance to change may delay or restrict growth</p>	
22	<p>Coordination, is not a separate function of management, but its very essence. Explain Ans:</p> <p>(i) Coordination integrates group efforts: (ii) Coordination ensures unity of action: (iii) Coordination is a continuous process</p> <p style="text-align: center;">OR</p> <p>Enumerate the importance of coordination Ans: Growth in size Functional differentiation specialization</p>	<p>3</p> <p>3</p>
23	<p>There are number of factors which affect the fixation of the price of a product. Briefly explain any three factors affecting price determination. Ans:</p> <p>Product cost Utility and demand Extent of competition Government and legal regulations Pricing objectives</p>	3
24	<p>Explain any three functions performed by the middlemen in the distribution channel. Ans:</p> <p>1. Sorting: 2. Accumulation: 3. Allocation:</p> <p style="text-align: center;">OR</p> <p>Explain in detail three main components of physical distribution. Ans:</p>	<p>3</p> <p>3</p>

	1. Order Processing: 2. Transportation: 3. Warehousing: 4. Inventory Control:	
25	<p>Management does not meet the exact criteria of a profession. However, it does have some of the features of a profession. Justify</p> <p>Ans:</p> <ol style="list-style-type: none"> <li>1. All over the world there is marked growth in management as a discipline. It is based on a systematic body of knowledge comprising well defined principles based on variety of business situations. This knowledge can be acquired at different colleges and professional institutes and through a number of books and journals. The subject of management is taught at different institutions.</li> <li>2. There is no restriction on anyone being designated or appointed as manager in any business enterprise. Anyone can be called a manager irrespective of the educational qualifications possessed. Unlike professions such as medicine or law which require a practicing doctor or lawyer to possess valid degrees, nowhere in the world is it mandatory for a manager to possess any such specific degree.</li> <li>3. There are several associations of practising managers in India, like the AIMA (All India Management Association) that has laid down a code of conduct to regulate the activities of their members. There is, however, no compulsion for managers to be members of such an association nor does it have any statutory backing.</li> <li>4. The basic purpose of management is to help the organization achieve its stated goal. This may be profit maximisation for a business enterprise and service for a hospital. However, profit maximisation as the objective of management does not hold true and is fast changing.</li> </ol> <p>Therefore, if an organization has a good management team that is efficient and effective it automatically serves society by providing good quality products at reasonable prices.</p> <p style="text-align: center;">OR</p> <p>‘Management is the process of working with and through others to effectively achieve organizational objectives by efficiently using limited resources in the changing environment.’  In the light of this statement, explain any four features of Management.</p> <p>Ans:</p> <ol style="list-style-type: none"> <li>(i) Management is a goal-oriented process:</li> <li>(ii) Management is all pervasive:</li> <li>(iii) Management is multidimensional:</li> <li>(iv) Management is a continuous process:</li> <li>(v) Management is a group activity:</li> <li>(vi) Management is a dynamic function:</li> <li>(vii) Management is an intangible force:</li> </ol>	4
26	<p>Explain any four points regarding significance of principles of management.</p> <p>Ans:</p> <ol style="list-style-type: none"> <li>1. Providing managers with useful insights into reality:</li> <li>2. Optimum utilisation of resources and effective administration:</li> <li>3. Scientific decisions:</li> </ol>	4

	<p>4. Meeting the changing environmental requirements:</p> <p>5. Fulfilling social responsibility:</p> <p>6. Management training, education and research:</p>	
27	<p>Identify and explain any two features of business environment and any two points of importance of business environment discussed in the above situation.</p> <p>Features Dynamic in nature Inter relatedness</p> <p>Importance It enables firm to identify opportunities and getting first mover advantage It helps the firm to identify threats and early warning signals</p>	4
28	<p>a. Identify the function of management that has been discussed in the above case Ans: Planning is the function of management which is being discussed in the above lines. Planning is deciding in advance what to do, how to do, when to do and who has to do it. Thus, it involves setting objectives and developing an appropriate course of action to achieve these objectives.</p> <p>b. State any three features of the function identified in the question above. Ans:</p> <ol style="list-style-type: none"> <li>1. Planning focuses on achieving objectives:</li> <li>2. Planning is a primary function of management:</li> <li>3. Planning is pervasive:</li> <li>4. Planning is continuous:</li> <li>5. Planning is futuristic:</li> <li>6. Planning involves decision making:</li> <li>7. Planning is a mental exercise:</li> </ol>	4
29	<p>Enumerate the steps in the process of organizing Ans:</p> <ol style="list-style-type: none"> <li>(i) Identification and division of work:</li> <li>(ii) Departmentalisation:</li> <li>(iii) Assignment of duties:</li> <li>(iv) Establishing authority and reporting relationships:</li> </ol> <p style="text-align: center;">OR</p> <p>State any four benefits of organizing Ans:</p> <ol style="list-style-type: none"> <li>(i) Benefits of specializations:</li> <li>(ii) Clarity in working relationships:</li> <li>(iii) Optimum utilization of resources:</li> <li>(iv) Adaptation to change:</li> <li>(v) Effective administration:</li> <li>(vi) Development of personnel</li> </ol>	<p>4</p> <p>4</p>

30	<p>There are certain criticisms (objections) against advertising. Explain any four objections and discuss to what extent these objections are true?          Ans: (1 mk each)          Adds to Cost          Undermines Social Values          Confuses the buyers          Encourages sale of inferior products</p>	4
31	<p>Explain the following techniques of Scientific Management</p> <ol style="list-style-type: none"> <li>Method study</li> <li>Motion study</li> <li>Time study</li> </ol> <p style="text-align: center;">OR</p> <p>Explain the following principles of Fayol:</p> <ol style="list-style-type: none"> <li>Subordination of Individual Interest to General Interest</li> <li>Division of work</li> <li>Initiative</li> </ol>	6               6
32	<p>Explain the steps that are required to be performed by a manager before evaluating all possible courses of action in planning process.          Ans:          1. Setting Objectives:          3. Identifying alternative courses of action:          4. Evaluating alternative courses:          5. Selecting an alternative:          6. Implementing the plan:          7. Follow-up action:</p> <p style="text-align: center;">OR</p> <p>Explain how planning:</p> <ol style="list-style-type: none"> <li>leads to rigidity</li> <li>reduces creativity</li> <li>involves huge costs</li> </ol>	6                      6
33	<p>a. Identify the important aspect neglected by the marketer in the above case.          Ans: Labelling (1 mk)</p> <p>b. Explain briefly any five functions of the aspect identified in (a) above.          Ans: (1 mk each) 1 x 5 = 5          Describe the Product and specify its contents          Identification of the Product or brand          Grading of Products          Providing Information Required by Law          Helps in Promotion of Products</p>	6
34	<p>a. Identify and state the organisational structure adopted by the company.          Ans: Functional structure (<math>\frac{1}{2}</math> – <math>\frac{1}{2}</math> )</p> <p>b. State two benefits and two limitations of the identified structure highlighted in the above case</p> <p>Ans:          Benefits (2 mks)</p>	6

It promotes control and coordination within a department because of similarity in the tasks being performed.

It helps in increasing managerial and operational efficiency and this results in increased profit.

Limitations (2 mks)

A functional structure places less emphasis on overall enterprise objectives than the objectives pursued by a functional head. Such practices may lead to functional empires wherein the importance of a particular function may be over emphasised. Pursuing departmental interests at the cost of organisational interests can also hinder the interaction between two or more departments.

It may lead to problems in coordination as information has to be exchanged across functionally differentiated departments.