



विद्या सर्वार्थ साधिका

ANANDALAYA  
Pre-Board Examination  
Class: XII

Subject : Business Studies

Date : 04-01-2023

M.M : 80

Time : 3 Hours

**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 question together.

(20 x 01 = 20)

1. Which degree is essential to become a manager? (1)  
(A) B. Com (B) M. Com. (C) M.B.A. (D) None of these
2. Management is considered a perfect science. State True / False with reason. (1)
3. Which technique is used by Taylor to differentiate between efficient and inefficient workers? (1)  
(A) Motion Study (B) Fatigue Study  
(C) Time Study (D) Differential piece wage rate system
4. Which of the following is not an element of social environment? (1)  
(A) Birth rate and death rate (B) Constitution of the country  
(C) Population shifts (D) Life expectancy
5. Business environment is a group of \_\_\_\_\_ forces. (1)  
(A) only General (B) specific and general (C) internal (D) only specific
6. Business enterprises cannot work in \_\_\_\_\_. (1)  
(A) isolated environment (B) complex management  
(C) uncertain environment (D) none of these
7. "Subsidy provided by the government for textile Industries has a positive impact on textile business." (1)  
Which component of business environment is highlighted in this case?  
(A) Economic environment (B) Political environment  
(C) Technological environment (D) Legal environment
8. \_\_\_\_\_ cannot be delegated at all. (1)  
(A) Authority (B) Responsibility (C) Accountability (D) Authority and Accountability
9. Decentralization is the extension of \_\_\_\_\_. (1)  
(A) responsibility (B) authority (C) delegation (D) organizing
10. Seema has joined as a creative head in an entertainment company. She always ensures that the work has been divided into small and manageable activities and also the similar activities are grouped together. Identify the step in organizing process mentioned here. (1)  
(A) Departmentalization (B) Identification and division of work  
(C) Assigning of duties (D) Establishing reporting relationships
11. Susan works as a supervisor in Krishna Industries Limited. She conveys management instructions to the workers and communicates workers grievances with the management. Which of the following advantages of supervisor is being highlighted here? (1)  
(A) Provides on-the-job training (B) Link between workers and management  
(C) Builds morale (D) None of these

12. Critical Point Control (CPC) focuses on \_\_\_\_\_ (1)  
 (A) significant deviations only (B) each and every activity in an organization  
 (C) controlling everything (D) Key Result Areas (KRAs)
13. Primary and Secondary markets \_\_\_\_\_ (1)  
 (A) compete with each other (B) complement each other  
 (C) function independently (D) control each other
14. Money Market deals with instruments having maturity of \_\_\_\_\_. (1)  
 (A) less than one year (B) more than three years  
 (C) less Than three years (D) more than one year
15. Which one of the following statements is incorrect in the context of marketing? (1)  
 (A) Marketing is the same thing as shopping for goods and services.  
 (B) Marketing is equally relevant to nonprofit organizations.  
 (C) Marketing management means management of the marketing functions.  
 (D) Selling is only a part of the process of marketing.
16. Which one of the following is the protective function of SEBI? (1)  
 (A) Training of intermediaries of security Market  
 (B) Registration of Brokers and sub brokers  
 (C) Promoting of Fair Trade Practices  
 (D) Conducting research and Publishing information
17. Capital Market Securities are considered \_\_\_\_\_ investments because they are easily marketable on the stock exchanges. Money market instruments on the other hand, enjoy a \_\_\_\_\_ degree of liquidity as there is a formal arrangement for this. (1)  
 (A) liquid, higher (B) liquid, lower (C) liquid, riskier (D) higher, liquid
18. Match the concepts of marketing with their respective definition. (1)
- | Concept              | Definition  |
|----------------------|---|
| a) Product concept   | i) relates to maintaining high quality of the product                 |
| b) Selling concept   | ii) relates to satisfying customer needs                              |
| c) Marketing concept | iii) relates to persuading aggressively buyer to purchase the product |
| (A) a-i b-ii c-iii   | (B) a-i b-iii c-ii  |
|                      | (C) a-iii b-ii c-i  |
|                      | (D) a-ii b-i c-iii  |
19. The purpose of \_\_\_\_\_ is to provide protection to the product where is the purpose of \_\_\_\_\_ is to provide detailed information about the usage. (1)  
 (A) labeling, packaging (B) labeling, advertising  
 (C) packaging, labeling (D) packaging, advertising
20. Mr. Ramanna, the sales executive of PQR Limited possesses good marketing skills; his techniques of marketing a product include oral presentation of message, convincing the customer with face-to-face interaction etc. Identify the element of marketing mix under which the above technique falls. (1)  
 (A) Product (B) Price (C) Place (D) Promotion
21. Identify the level of management whose basic task is to integrate diverse elements and coordinate the activities of different departments according to the overall objectives of the organization (3)  
 State any two functions of the level of management identified.
22. Human Resource Management includes many specialized activities and duties which the human resource manager must perform. In the light of this statement explain any four such duties performed by the human resource manager. (3)
23. After setting the performance standards, the next step in controlling process is the 'measurement of actual performance'. Explain this step in the process of controlling. (3)

OR

Describe the relationship between planning and controlling

24. "Financial markets play an important role in the allocation of scarce resources in an economy by performing important functions." In the light of the given statement, State any three functions performed by Financial Market. (3)

OR

State any three regulatory functions of Securities and Exchange Board of India (SEBI).

25. Dishes & Glasses Company Ltd. manufactures paper plates and glasses. It produces 50,000 dishes & glasses each day. Due to local Festival, it got an urgent order of extra 25000 of both. (4)  
Name the method and source of recruitment of labour the company needs to fulfil its order  
Explain any two merits of this method

OR

Joseph Brothers is a firm manufacturing jute lamp shades. It uses leftover jute pieces from various jute factories to manufacture economical lamp shades which are supplied to various hotels in nearby towns. It employs men and women as workers from nearby villages for creating good lamp shade designs. Joseph Brothers is not able to meet its target. Ms. Nimisha, the supervisor of the company was told to analyze the reasons for the poor performance. She found the following problems and suggested certain solutions in the working of the business. The number of workers employed was less than what was required for the work. As a result, the existing workers were overburdened. The firm decided to search for the new workers and it asked the present employees to introduce candidates or recommend their friends and relatives to the firm this animal the firm. This enabled the firm to 'put people to the jobs' and assured the attainment of objectives according to plans

- (a) Identify the function of management being performed by the firm in the above situation  
(b) Name the concept and its source used by the firm to attract more workers to the firm.

26. What is meant by directing? Explain the importance of directing (4)
27. Roshan is the chief of a restaurant located in the city of Bengaluru. The place is known for its continental cuisine. All the food is prepared under Roshan's supervision. The various activities in the kitchen are initiated in accordance to his instructions. He is very clear and specific in issuing instructions to his subordinates in order to ensure smooth working of the restaurant. He personally oversees the method followed by the chefs for preparation of each dish. He misses no opportunity to praise his subordinates for the good work. A his team members feel very happy and satisfied under his direction. He provides constant guidance to them in order to improve upon taste and presentation and also encourages them to innovate and be more creative in their work. In the above context: Identify the various elements of directing mentioned in the above paragraph by quoting lines from the paragraph (4)

OR

Prem is working in a multinational company in Noida, He was running a temperature for the last many days, when his blood was tested, he was found to be positive for covid-19. He was admitted in the hospital and a plasma therapy was advised by the doctors as his condition was very serious. One of his colleagues sent a text message to his senior M<sup>rs</sup> Bose. She immediately sent a text message to some employees of the organization who had recovered from covid-19 requesting them to donate plasma for Prem. When the general manager Mr. J. L. Shah, came to know about it he ordered for sanitation in the company premises and cleaning the surroundings.

From the above paragraph, quote the line that indicates the various types of communication.

State two features of each type indentified above.

28. Every manager has to take three major decisions while performing the financial function State these decisions. (4)

29. “A business that doesn’t grow dies”, says Mr. Shah, the owner of Shah Marble Ltd. with glorious 36 months of its grand success having a capital base of ₹80 crores. Within a short span of time, the company could generate cash flow which not only covered fixed cash payment obligations but also create sufficient buffer. The company is on the growth path and a new breed of consumers is eager to buy the Italian marble sold by Shah Marble Ltd. To meet the increasing demand, Mr. Shah decided to expand his business by acquiring a mine. This required an investment of ₹120 crores. To seek advice in this matter, he called his financial advisor Mr. Seth who advised him about the judicious mix of equity (40%) and Debt (60%). Mr. Seth also suggested him to take loan from a financial institution as the cost of raising funds from financial institutions is low. Though this will increase the financial risk but will also raise the return to equity shareholder. He also apprised him that issue of debt will not dilute the control of equity shareholder. At the same time, the interest on loan is a tax-deductible expense for computation of tax liability. (4)

After due deliberations with Mr. Seth, Mr. Shah decided to raise funds from a financial institution. a)

a) Identify and explain the concept of Financial Management as advised by Mr. Seth in the above situation.

b) State the four factors affecting the concept as identified in part (a) above which have been discussed between Mr. Shah and Mr. Seth

**OR**

A company is engaged in production of organic foods. Presently it sells its products through indirect channels of distribution but considering the sudden surge in demand for organic products the company is now inclined to start its online portal for direct marketing. The financial managers of the company are planning to use debt in order to take advantage of trading on equity. In order to finance its expansion plans, it is planning to raise our debt capital of ₹ 9,00,000 through a loan @ 10% from an Industrial Bank. The present capital base of the company comprises of ₹ 40,00,000 equity shares of ₹10 each. The tax rate is 30%

In the context of the above case:

What are the two conditions necessary for taking advantage of trading on equity?

Assuming the expected rate of return on investment to be same as it was for the current year i.e. 15%.

Do you think the financial managers will be able to meet their goal? Show your working clearly.

30. Aditi set-up a company ‘Dantik Ltd.’ to manufacture toothpastes using herbs found in her village instead of chemicals that are hazardous to health. The package of the product was eco-friendly and had details like price, quantity, ingredients, directions for use and other relevant information. It also carries the contact details like address, phone number and e-mail id of ‘Dantik Consumer Services and Grievance Cell’. The toothpaste became very popular and she started getting orders from reputed trade’ Identify and explain any two Rights of Consumers discussed above. (4)

31. Briefly explain any three of the following Principles of Scientific Management as given by F.W. Taylor: (6)

- a) Science, not the rule of thumb;
- b) Harmony not discord;
- c) Cooperation not individualism;
- d) Development of each person to her/ his greatest efficiency and prosperity.

**OR**

Briefly explain any three of the following principles of management given by Henry Fayol.

- a) Division of work
- b) Authority and responsibility;
- c) Discipline;

Stability in the tenure of Personnel.

32. Robert is working as the production manager in Hi-Fi Techo Private Limited. While working he lays a lot of emphasis on good planning. While planning he uses foresight, intelligence and creativity. This leads to a high success rate for the projects that are under his control. Before finalizing any plan he makes alternative plans, evaluates them and selects the best. In the process of planning, he involves other managers too. However, he knows that it is not necessary that his all plans will always be successful. He is also aware that sometimes the plans that he makes consumes a lot of time and money and need to be changed keeping in mind changing environmental conditions. (6)

On the basis of the given information about Hi-Fi Techo Private Limited answer the following questions:

- a) Which features of planning have been highlighted in the above case?
- b) Identify the limitations of planning that have been highlighted in the above case

**OR**

Few years ago Mohan obtained a degree in food technology. For some time, he worked in a company manufacturing bread and biscuits. He was not happy in the company and decided to have his own bread and biscuits manufacturing unit. For this he decided upon the objective and the targets and formulated an action plan to achieve the same.

One of his objectives was to earn 50% profit on the amount invested in the first year. It was decided that raw materials like flour, sugar, salt etc. would be purchased on two months credit. He also decided to follow the steps required for marketing the product through his own outlets.

He appointed Hari as a Production Manager, who decided the exact manner in which the production activities were to be carried out. He also prepared a statement showing the requirement of workers in the factory throughout the year. Mohan informed Hari about his sale targets for different products, area wise for the forthcoming quarter. While working on the production table a penalty of ₹150 per day was announced for not wearing a helmet, gloves and an apron run by any of the work.

Quoting lines from the above paragraph identify and explain the different types of plans discussed.

33. Mr. Ramkumar Jaggi owns a factory wherein shoes are made. The business has been doing well and he intends to expand by diversifying into school bags as well as kids sportswear, thereby making his company a complete provider of corporate wear. This will enable him to market his business unit as the One-Stop shop for school going children. (6)

- a) Which type of structure would you recommend for Mr. Jaggi for the expanded organization and why?
- b) State any four advantages of this organizational structure.

34. State and explain then factors which affect the determination of the price of the product. (6)