

MODEL EXAMINATION (DECEMBER – 2017)**CLASS: XII Div.: B****BUSINESS STUDIES****Time: 3 hrs.****Date.....****MAX. MARKS: 80****Name.....****Roll No.....****General Instructions:**

- (i) All questions are compulsory.
- (ii) Question No. 1-08 are very short answer questions carrying 1 mark each.
- (iii) Question No. 09-13 are short answer questions carrying 3 marks each.
- (iv) Question No. 14-19 are also short answer questions carrying 4 marks each.
- (v) Question No. 20 and 22 are long answer questions carrying 5 marks each.
- (vi) Question No. 23-25 are very long answer questions carrying 6 marks each.

1. Laxmi Chemicals Ltd., a soap manufacturing company wanted to increase its market share from 30% to 55% in the long run. A recent report submitted by the Research & Development Department of the company had predicted a growing trend of herbal and organic products. On the basis of this report the company decided to diversify into new variety of soaps with natural ingredients having benefits and fragrances of Jasmine, Rose, Lavendear, Mogra, Lemon Grass, Greed Apple, Strawberry etc. The Unique Selling Proposition (USP) was to promote eco-friendly living the contemporary life style. The company decided to allocate Rs. 30 crores to achieve the objective. Identify the type of one of the functions of management mentioned above which will help the company to acquire dominant position in the market. 1
2. What is the objective of 'Method Study' as a technique of scientific management? 1
3. National Vritech Ltd. has grown in size. It was a market leader but with changes in business environment and with the entry of MNCs its market share is declining. To cope up with the situation CEO starts delegating some of his authority to the General Manger, who also felt himself overburdened and with the approval of CEO disperses some of his authority to various levels throughout the organization. Identify the concept of management discussed above. 1
4. Name the marketing function which is concerned with the important decision of managing inventory. 1
5. Ramesh is working under the guidance of Harsh, a carpenter for the last three years to learn the different skills of this job. Name the method of training Ramesh is undergoing. 1

6. 'CM Tube Light Pvt. Ltd. was manufacturing good quality LED tube light and catering to local market. The current production of the company is 800 tube light a day. Mosi, the marketing manager of the company surveyed the market and decided to supply the tube light to five-star-hotels also. He anticipated the higher demand in future and decided to buy a sophisticated machine to further improve the quality and quantity of the tube light produced. Identify the factor affecting fixed capital requirements of the company. 1
7. Why employees become lethargic when the organisation uses internal sources of recruitment? State. 1
8. 'Recruitment' is one of the specialised activities performed by human resource management. Mention any two other specialised activities of human resource management. 1
9. In your school, you observe that books are kept in office, chalks in the library and office records in the staff room. Which principle of management is violated here and why? How will that affect the achievement of school objectives? As a manager, what steps will you take to rectify the shortcomings? 3
10. Abdul was working in an enterprise on daily wages basis. It was difficult for him to fulfill the basic needs of his family. His daughter fell ill. He had no money for his daughter's treatment. To meet the expenses of her treatment, he participated in a cycle race and won the prize money. The cycle company offered him a permanent pensionable job which he happily accepted. 3
- (i) By quoting the lines from the above para identify the needs of Abdul that are satisfied by the offer of cycle company.
- (ii) Also, explain two other needs of Abdul followed by above that are still to be satisfied.
11. Mr. Kunal is the owner of- Jason's Enterprises, carrying on the business of manufacturing sanitary items. There is a lot of discontentment in the organization and the targets are not being met. He asked his son Rakesh, who has recently completed his MBA, to find out the reason. Rakesh found that his father did not have confidence in the competency of employees and was not seeking their advice or opinion. There was also lack of transparency in the operations of the business. Thus, the employees were not happy. 3
- (a) Identify any two communication barriers because of which 'Jason's Enterprises' was not able to achieve its targets.
- (b) State one more barrier each of the type identified in part (a) above.
12. 'Financial market plays an important role in the allocation of scarce resources in an economy by performing various functions.' Explain any three functions of financial market. 3
13. Crackers Ltd., a firecracker-manufacturing company, launched some new products on the eve of Diwali, which attracted many buyers. To meet the increased demand, the company employed children from nearby villages. Although the product was in great demand, appropriate safety warnings for use were not mentioned on the packets that led to many accidents. 3
- (i) Identify and explain the important product-related decision that was not taken into consideration by the company.
- (ii) Also, identify any two values that were violated by the company.

14. State any three directions which can be issued by the consumer court to the opposite party if it is satisfied about the genuineness of the complaint. 4
15. Explain the following rights of consumers: 4
(i) Right to be informed
(i) Right to safety
16. XYZ Power Ltd. set up a factory for manufacturing solar lanterns in a remote village as there was no reliable supply of electricity in rural areas. The revenue earned by the company was sufficient to cover the costs and the risks. The demand of lanterns was increasing day by day, so the company decided to increased production to generate higher sales. For this they decided to employ people from the nearby villages as very few job opportunities were available in that area. The company also decided to open schools and creches for the children of its employees. 4
(i) Identify and explain the objectives of management discussed above.
(ii) Sate any two values which the company wanted to communicate to the society.
17. 'Accent Electronics Ltd.' was operating its business in Malaysia. The company started exporting its products to India when the Prime Minister announced relaxation in import duties on electronic items. The company appointed retailers in India who had direct online links with the suppliers to replenish stocks when needed. 4
Identify and explain the dimensions of business environment discussed in the above case.
18. How is training of employees beneficial for the organisation? State by giving any four reasons. 4
19. Mr. Ajay after completing MBA from USA comes to India to start a new business under the banner E.com Creations Ltd. He launches a new product in a e-learning for senior Secondary School students in Commerce stream, which already has an established market in UK and USA but not in India. His business starts flourishing in India. Now more Indian companies entered into the market with other subjects also. Identify and quote the lines from above para which highlight the significance of understanding business environment. 4
20. Two years ago Nishant, completed his degree in Textile Engineering. He worked for some time in a company manufacturing readymade garments. He was not happy in the company and decided to have his own readymade garments manufacturing unit. He set the objectives and the targets and formulate action plan to achieve the same. One of his objectives was to earn 80% profit on the amount invested in the first year. It was decided that raw materials like cloth, thread, buttons etc. will be purchased on two months credit. He also decided to follow the steps required for marketing the products through his own outlets. He appointed Ritesh as a production manager, who decides the exact manner in which the production activities are to be carried out. Ritesh also prepared a statement showing the requirement of workers in the factory throughout the year. Nishant informed Ritesh about his sales target for different products areawise for the forthcoming quarter. A penalty of Rs. 200 per day was announced for the workers who found smoking in the factory premises. Quoting lines from the above para identify and explain the different types of plans discussed. 5

21. Differentiate between 'capital-market' and 'money-market' on the following basis: 5
(i) Participants; (ii) Instruments' (iii) Investment outlay; (iv) Duration and (v) Liquidity.
22. Explain 'Price' as an element of marketing-mix. Also explain any four factors that affect the 5
fixation of price of a product.
23. Sakshi Ltd. is a company manufacturing electronic goods. It has a share capital of 120 lakhs. 6
The earning per share in the previous year was 0.5. For diversification, the company requires additional capital of 80 lakhs. The company raised funds by issuing 10% debentures for the same. During the current year the company earned profit of 16 lakhs on capital employed. It paid tax @ 40%.
(a) State whether the shareholders gained or lost in respect of earning per share on diversification. Show your calculations clearly.
(b) Also state any three factors that favour the issue of debentures by the company as pan of its capital structure.
24. Priya purchased a packet of juice from the local grocery shop. The information provided on the 6
packet was not clear. She fell sick on consuming it. She filed a case in the District Forum under Consumer Protection Act and got the relief.
(a) Identify the important aspect which has been neglected by the marketer in the above case.
(b) Explain briefly the functions of the aspect identified in (a) above.
25. Identify the method of sales-promotion in the following cases: 6
a) A mobile company offers a discount of Rs. 1,000 to clear off excess inventory.
b) A customer gets Rs. 5 off on return of an empty wrapper while making a new purchase of the same product.
c) A company offers a pack of ½ kg. of sugar with the purchase of a 5 kg. bag of wheat flour.
d) A company offers 40% of extra shaving cream in a pack of 500 gms.
e) Scratch a card and get a gold coin with the purchase of a cold drink.
f) Purchase goods worth Rs. 50,000 and get a holiday package worth Rs. 10,000 free.

