

PRE-BOARD EXAMINATION 1 - 2019-20
SUB - BUSINESS STUDIES (054)

Class : XII
 Date :

MM : 80
 Time : 3 hrs

GENERAL INSTRUCTIONS:

- (i) This question-paper contains five Sections – A, B, C, D and E.
- (ii) Section – A contains questions 1 to 20 carrying one mark each. Answer to these questions may be given in one word or a sentence.
- (iii) Section – B contains questions 21 to 25 carrying three marks each, answers to these questions may be in 50 to 75 words.
- (iv) Section – C contains questions 26 to 28 carrying four marks each. Answers to these questions may be in about 120 words.
- (v) Section – D contains questions 29 to 31 carrying five marks each. Answers to these questions may be in about 150 words.
- (vi) Section – E contains questions 32 to 34 carrying six marks each. Answer to these questions may be in about 200 words.
- (vii) There is no over-all-choice in the question paper, however an internal choice has been provided in 1 question of three marks, 1 question of four marks, 2 questions of five marks, 2 question of six marks. You have to attempt only one of the choices in such questions.

Q.NO	SECTION – A	M
1	To find out the potential of learning new job in the candidate, the following test is conducted. (a) Intelligence Test (b) Aptitude Test (c) Trade Test (d) Personality Test	1
2	(A).....is a statement of expected results expressed in numerical terms and (B).....are the ends that the management seeks to achieve by its operations. Fill in the blanks (a) (A) Budget and (B) Programmes (b) (A) Policy and (B) Objectives (c) (A) Objective and (B) Policy (d) (A) Budget and (B) Objectives	1
3	What is the favourable financial leverage?	1
4	“In an organisation employees are happy and satisfied, there is no chaos and the effect of management is noticeable. "Which feature of management is highlighted in the given statement: (a) Dynamic Function	1

	(b) Intangible Force (c) Group Activity (d) Continuous Process	
5	Span of management refers to (a) Area of responsibilities of a manager (b) Manager's accountability (c) Number of subordinates who can be effectively controlled by one manager (d) None of the above	1
6	Name the simplest type of plan. (a) Rule (b) Method (c) Procedure (d) Objective	1
7	Treasury-Bill are basically: (a) An instrument to borrow short term funds (b) An instrument to borrow long term funds (c) An instrument of capital market (d) None of the above	1
8	Mr. Ram, the operational manager of Reliance Ltd. conducted work study to fix standard time to be taken by a worker to produce one unit. Identify the step of the controlling process mentioned here: (a) Measurement of actual performance (b) Analysing deviations (c) Setting performance standards (d) Comparison of actual performance with standards	1
9	Getting orders from more than one superior is against which principle: (a) Unity of direction (b) Unity of command (c) Authority and Responsibility (d) Division of work	1
10	"Planning requires application of the mind, foresight, intelligent imagination and sound judgement." Identify the characteristic of planning highlighted by this statement: (a) Planning is a mental exercise (b) Planning is Pervasive (c) Planning is continuous (d) Planning is futuristic	1

11	<p>'Konark Ltd.' is electric goods manufacturing enterprises situated in Shivpuri, Madhya Pradesh. It is earning very low revenue in comparison to competing electronic goods manufacturing enterprise, 'Nova Ltd.' situated in Mumbai. Both Konark's and Nova's operations are affected directly by the investors, customers, competitors and suppliers, which are unique to their respective locations. In addition to this, individual forms of this field are affected indirectly by the factors like the money supply in the economy, composition of the families, the technological changes, etc. Identify the feature of the concept discussed in the above paragraph.</p> <p>(a) Totality of external factors (b) relativity (c) dynamic (d) Specific and General Forces</p>	1
12	<p>A privilege given to existing shareholders to subscribe to a new issue of shares according to the terms and conditions of the company:</p> <p>(a) Offer through Prospectus (b) Offer for Sale (c) Rights Issue (d) Private Placement</p>	1
13	<p>..... is the force that binds all the other functions of the management:</p> <p>(a) Controlling (b) Coordination (c) Planning (d) Staffing</p>	1
14	<p>In Delegation, we have sharing of authority and responsibility between</p> <p>(a) Two levels (b) Multiple level (c) Department wise (d) None of the above</p>	1
15	<p>Superior attempts to influence the behaviour of people at work towards the achievement of specified goals. Name the element of directing function highlighted in the above statement:</p> <p>(a) Motivation (b) Leadership (c) Communication (d) None of the above</p>	1
16	<p>A decision is taken in financial management to distribute certain parts of the profit to shareholders after paying tax. What is this decision called</p> <p>(a) Investment Decision (b) Dividend Decision (c) Financing Decision (d) None of the above</p>	1

17	<p>Visit by senior manager to various professional colleges to search for prospective candidates is known as</p> <p>(a) Internal Recruitment (b) Recommendations from employees (c) Employment Exchange (d) Campus Recruitment</p>	1
18	<p>Conversion of physical form of share certificate into an electronic entry is called</p> <p>(a) Exchange Mechanism (b) Conversion (c) Dematerialisation (d) Rematerialisation</p>	1
19	<p>A plan is determined course of action. The first major step in the process is:</p> <p>(a) Developing premises (b) Developing Plan (c) Stating Organisational Objective (d) Putting Plan into Action</p>	1
20	Which technique of Taylor overlooks the principle of equity?	1
SECTION -B		
21	<p>Tata International Ltd. earned a net profit of Rs. 50 crores. Ankit the finance manager of Tata International Ltd. wants to decide how to appropriate these profits. Identify the decision that Ankit will have to take and also discuss any two factors which help him in taking this decision.</p>	3
22	<p>Govinda Ltd. is a highly reputed company. Different functions are performed by different individuals in this company, who are bound together in a hierarchy of relationships, Every individual in the hierarchy is responsible for successful completion of a particular task.</p> <p>Mr. Gauranga is responsible for the welfare and survival of the organization. He formulates overall organizational goals and strategies for their achievement.</p> <p>Mr. Nityanand ensures that quality of output is maintained, wastage of materials is minimized and safety standards are maintained.</p> <p>Mr. Sanatan assigns necessary duties and responsibilities to the personnel and motivates them to achieve desired objectives.</p> <p>At what levels of management are Mr. Gauranga, Mr. Nityanand and Mr. Sanatan working in Govinda Ltd.? Justify your answer.</p>	3

23	<p>Kiran Industries is a company manufacturing office furniture. The company chose to diversify its operations to improve its growth potential and increase market share. As the project was important many alternatives were generated for the purpose and were thoroughly discussed amongst the members of the organisation. After evaluating the various alternatives Sukhvinder, the Managing Director of the company decided that they should add 'Home Interiors and Furnishings' as a new line of business activity.</p> <p>a) Name the framework, which the diversified organisation should adopt, to enable it to cope with the emerging complexity? Give one reason in support of your answer.</p> <p>b) State any two limitations of this framework.</p>	3
24	<p>AB Ltd. has an equity capital of Rs. 20,00,000 (2,00,000 equity shares of Rs. 10 each). The earnings before interest and taxes is Rs.3,00,000. The company needs Rs. 7,00,000 for expansion of business. The prevailing tax rate is 30%. The debt fund which is available in the market @ 7% p.a. As you are appointed as financial manager of the company suggest which source for raising the fund should be opted and why.</p>	3
25	<p>In your school, you observe that books are kept in office, chalks in the library and office records in the staff room.</p> <ol style="list-style-type: none"> 1. Which principle of management is violated here and why? 2. How will that affect the achievement of school objectives? 3. As a manager, what steps will you take to rectify the shortcomings? <p style="text-align: center;">OR</p> <p>Mahesh Ltd hired a company to update about the gaps in their organization for being not functioning smoothly and systematically for last two years. The relations between management and employees are becoming unhealthy. The company after the gone through the Mahesh Ltd. business structure and operational workflow, submitted the report that employees are not working effectively and efficiently to produce maximum output and along with this the management is not fulfilling its promises for giving better environment, increments, promotions etc. to their employee.</p> <p>(a) Which principle of Henri Fayol is being ignored in the given case.</p> <p>b) Can the problem be solved if only management becomes serious in fulfilling its commitments?</p> <p>(c) What should be the appropriate course of action to achieve smooth and systematic functioning of Mahesh Ltd.</p>	3
SECTION -C		
26	What is branding? State its three benefits to its consumers?	4

<p>27</p>	<p>In 'Chak De India' movie, Shahrukh Khan becomes the coach of the girls' hockey team. He knows that he has to prepare the girls for the international hockey matches and bring the world cup after winning. For this he prepares a long-term plan and thinks the ways how to beat the competitors. He coaches the girls to play in different ways like defensive, offensive, etc. At the outset of a match he explains who will open the match, and how the ball will be passed by one player to another step by step.</p> <p>Identify four types of plan that are highlighted in the above case, quoting the lines from it.</p>	<p>4</p>
<p>28</p>	<p>The Capital of India has been declared as the most polluted city in the world. Bengaluru, Mumbai, Patna, Ahmedabad, Lucknow, Kanpur and Ludhiana are also the highly polluted Indian cities. This has resulted into a dramatic increase in the sale of home air purifiers. The prices of these devices range from Rs. 2,000 to Rs. 25,000 depending upon the type of pollutant these purifiers remove. Looking at the increasing demand of these air purifiers 'Pure Air Technology India Ltd.' has developed a low cost home air purifier in its R&D Lab. The company has estimated that a commercial production of 1,00,000 units per year may cost the company Rs. 500 per unit. For this capital of Rs. 100 crores will be required. The company decided to have both equity and debt in its capital structure.</p> <p>Explain any four factors that the company should consider while deciding its capital structure.</p> <p style="text-align: center;">OR</p> <p>Differentiate between money market and capital market on the following bases:</p> <ul style="list-style-type: none"> (i) Instruments (ii) Expected Return (iii) Duration (iv) Liquidity 	<p>4</p>
<p>SECTION - D</p>		

<p>29</p>	<p>'Mamta Rice Food Ltd' is a well know rice producing company. The sales have been falling down from the beginning of the year. The managing director Mr. Bhuvan is worried about this situation. With a view to find out the solution of this problem he made a team to find but the reasons for downfall of sales. The team conducted the survey and gave following four reasons for the downfall of company's sale.</p> <ol style="list-style-type: none"> 1. On account of increase in export duty made by the government, the foreign demand has gone down. 2. Due to availability of other eatable substitute the taste of people is diverted from rice. 3. The competitor's imported new technology machine and are producing better quality rice. 4. Due to strain with neighbouring country's government and our country's government export is affected. <p>Identify the dimension of Business Environment discussed in the above case and also give the meaning of Environment Scanning.</p> <p style="text-align: center;">OR</p> <p>State the impact of Government policy changes to business and organization.</p>	<p>5</p>
<p>30</p>	<p>On her sister's wedding, Radha decided to gift her gold earrings. When she shared her plan with her husband, he showed her an article in the daily national newspaper under the heading "Jago Grahak Jago." The campaign included details about the various aspects that people must consider before buying any gold jewellery.</p> <ol style="list-style-type: none"> 1. Why do you think campaigns like "Jago Grahak Jago" are inserted in the newspaper? 2. Name the right of consumer being fulfilled through this initiative of the government. 3. State any three responsibilities that Radha must discharge as an aware consumer while buying her sister's wedding gift. 	<p>5</p>

<p>31</p>	<p>Interaction among people at work gives rise to a network of social relationships among employees. This relationship emerges when people interact beyond their officially defined roles. When people have frequent contacts they cannot be forced into a rigid formal structure. Rather based on their interaction and friendship they tend to form groups which show conformity in terms of interest. Name the form of relationships mentioned in the above lines and state its any four characteristics.</p> <p style="text-align: center;">OR</p> <p>What is meant by delegation of authority? Write down its features.</p>	<p>5</p>
<p>SECTION -E</p>		
<p>32</p>	<p>A company was manufacturing 'LED bulbs' which were in great demand. It was found that the target of producing 300 bulbs a day was not met by the employees. On analysis, it was found that the workers were not at fault. Due to electricity failure and shortage of workers, the company was not able to achieve the set targets and alternative arrangements were needed. To meet the increased demand, the company assessed that approximately 88 additional workers were required out of which 8 would work as heads of different departments and 10 would work as subordinates under each head. The required qualifications and job specifications were also enlisted. It was also decided that necessary relaxation should be given to encourage women, persons from backward and rural areas and persons with special abilities to assume responsible positions in the organisation. All efforts were made to match the ability of the applicants with the nature of work.</p> <p>(a)Identify the functions of management discussed above. (b)State the two steps in the process of each function discussed in the above para.</p>	<p>6</p>

A tea manufacturing company has recently changed the designs and labeling by stating new variety of tea and their upcoming new product by the name of mug tea in which the green tea will already placed at the bottom of cup and it can be utilized thrice by the consumer. Since, the mug tea is new concept and will also provide benefit to the company in terms of sale increase, but the company analyst is planning to reduce the price by 25% on the existing product so that the larger market share could be captured. The company sells its product in different markets of the world. The company directors have proposed to market the product in the cities of having high population level, the top management hasn't yet decided the type of channel it should choose. Due to high use of smartphome and e-commerce the company is also selling its product online, such decision brought an indirect change in one of the elements of the marketing mix and of course one element saw change directly.

- (a) Which function of labeling has been highlighted in the above case?
- (b) Which factor of price determination has affected the pricing of tea by the company.
- (c) Which type of channel do you think the company should choose for the new country.
- (d) Which element of marketing mix has changed directly and which indirectly.

OR

A company was marketing 'Juicers' which were very popular due to their quality and after sale services provided to the customers. The company was a leading company in the market and earning huge profits. Because of huge profits the company ignored the after sales services. As a result its relations with the customers got spoiled and the image of the company in the public was damaged. Top management became concerned when the profits for the current quarter fell steeply. On analysis, it was revealed that ignoring the after sales services was its reason. Therefore the company took all possible measures to protect and promote its favourable image. As a result the goodwill of the company improved in the society.

- (a) Name and state the communication tool used by the marketer in the above case to improve its image.
- (b) Also explain role of the tool as identified in Part (a).

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Harsh had been working as an manager with 'APA Education Private Limited'. Harsh was very dedicated and committed employee of the organisation which made him popular within the whole organisation. The company was expanding and opened a new department and transferred Aman, leader of Harsh for the new position. Their was a discussion among the that Harsh will be promoted to vacant position but the company filled the post by an external candidate Mrs. Sunita, Harsh felt demoralised and his performance started declining. Mrs. Sunita being a good leader, who would not only instruct her subordinates but would also guide and inspire them. Sunita noticed Harsh behaviour and felt and his performance could be improved. She offer various projects where Harsh could create his visibility in-front of the senior management. Sunita nominated Harsh in decision making-issues related to the organisation. Harsh was now punctual in office and his performance started improving.

(a) Identify the function of management being performed by Sunita.

(b) Name the element of the above function of management which helped Sunita to improve Harsh behaviour.

(c) State any three features of the element identified in (b) above.

OR

What do you mean by non-financial incentives? Explain the various types of non-financial incentives.

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