

SECOND PREBOARD EXAMINATION (2019-2020)

CLASS: XII

Subject: BUSINESS STUDIES

Date: 29-01 -2020

Time allowed: 3 Hrs

Maximum Marks: 80

General Instructions:

- a. **All** questions are **compulsory**.
- b. Marks are indicated against each question.
- c. Please check this question paper contains 7 printed pages only.
- d. Please check that this question paper contains 34 questions.
- e. Attempt all parts of a question together.

1. Ashutosh Goenka was working in Axe Ltd., a company manufacturing air purifier. He found that the profits had 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.

a) Identify the level of management at which Ashutosh Goenka was working.

b) State one of the functions being performed by Ashutosh Goenka. 1

2. Give any one reason why principles of management are not rigid prescriptions. 1

3. What is demonetisation? 1

4. 'Planning is done to achieve organizational goals.' Do you agree? Give one reason in support of your answer. 1

5. 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. Name the function of management discussed above. 1
6. Identify the type of suitable organization structure for a large-scale organization having diversified activities requiring high degree of specialization in operations. 1
7. Alpha Enterprises is a company manufacturing water geyser. The company has a functional structure with 4 main functions- production, marketing, finance and HR. As the demand for the product grew, the company decided to hire more employees. Identify the concept which will help the HR manager in deciding the actual number of persons required in each department. 1
8. Recruitment is one of the specialised activities performed by human resource management. Mention any two other specialised activities of HRM. 1
9. What is informal communication? 1
10. Why is it said that directing takes place wherever superior- subordinate relationship exists? 1
11. What should be done while taking corrective action in the process of controlling when deviations go beyond the acceptance range especially in the important areas. 1
12. Whirlwind Enterprises was a renowned name for manufacturing quality washing machines since 1965. When the profit of the last year declined, Mr. Ahmed the owner asked the general manger to prepare a profitability report of the company including gross profit ratio, net profit ratio etc. besides using other techniques to assess the company's performance. Identify the step taken by the owner under one of the functions of management. 1
13. When is financial leverage favourable? 1

14. Cost of debt is lower than the cost of equity share capital. Even then, a company can't work with the debt alone. Give reason. 1
15. An investor wanted to invest Rs. 20,000 in treasury bills for a period of 91 days. When he approached the Reserve Bank of India for this purpose, he came to know that this was not possible. Give the reasons why the investor could not invest in the treasury bill. 1
16. Name two major alternative mechanisms through which allocation of funds can be done. 1
17. Beauty Products Ltd. Is a natural and ethical beauty brand famous for offering organic beauty products for men and women. The company uses plant-based materials for its products and is the number one beauty brand in the country. It not only satisfies its customers, but it also believes in overall protection of the planet. Identify the marketing management philosophy being followed by Beauty Products Ltd. 1
18. Marketing Vega Ltd. entered the market with coloured television and has now introduced products like audio systems, air conditioners, washing machines etc. The company is not only offering the products but also handling complaints and offering after sale services. Identify the element of marketing mix discussed here. 1
19. What is the advantage of registering trademark? 1
20. Under three-tier machinery where can a legal heir or representative of a deceased consumer file a complaint when the compensation claimed is Rs. 25 lakhs. 1
21. Name and explain the process which provides the requisite amount, quality, timing and sequence of efforts and ensures that the planned objectives are achieved with a minimum of conflict. 3

22. Name and explain with an example the type of plan which provides the prescribed ways in which a task must be performed considering the objectives. 3

23. Neeraj Gupta started a company Yoyos Ltd. With 10 employees to assemble economic computers for the Indian rural market. The company did very well in its initial years. As the product was good and marketed well, the demand went up. To increase production, the company decided to recruit additional employees. Neeraj Gupta who was earlier taking all the decisions for the company had to selectively disperse the authority. He believed that people are competent, capable and resourceful and so can assume responsibility for effective implementation of decisions. This paid off and the company was not only able to increase the production but also expanded its product range with different features.

a) Identify the concept used by Neeraj Gupta by which he was able to steer his company to greater heights.

b) Also explain two points of importance of this concept. 3

24. Bharat Express specialises in courier services. Its wide range of express package and parcel services helped business firms to make sure that the goods are made available to the customers at the right place and at the right time. State with reason whether the working capital requirements of Bharat Express will be high or low. 3

25. Rahul Sharma after leaving his job wanted to start a private limited company with his son. His son was keen that the company may start manufacturing of mobile phones with some unique features. His father felt that the mobile phones are prone to quick obsolescence and a heavy fixed capital investment would be required regularly in this business. Therefore, he convinced his son to start a furniture business. Identify the factor affecting the fixed capital requirement which made the father to choose furniture business over mobile phones. List the remaining factors. 3

26. It is heartening that the implementation of compliance requirements of the Companies Act, 2013 has progressed substantially with NIFTY 500 companies. Data shows a significant increase in women's participation in the top management of Indian companies from 5% few years ago to 13% now. Even companies which are not in NIFTY 500 have undertaken drives to increase women's participation across different areas of work. The government had also announced that it would support such companies. Identify and explain the dimensions of business environment discussed above which brought about the change.

OR

What does economic environment consist of? Give three examples of impact of economic environment on business. 4

27. State and explain the steps in the selection procedure after the employment interview and before the job offer. 4

28. Hana Sweets is a renowned name for quality sweets since 1935. Harsh the owner was worried as the sales had declined during the last 3 months. On enquiry, the sales manager reported that there were some complaints about the quality of the sweets manufactured, so Harsh ordered for sample checking of the sweets. Identify the step taken by Harsh that is related to one of the functions of management. Explain the other steps. 4

29. Differentiate between 'Policy' and 'Rule' as types of plans.

OR

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 and Development Department of the company had predicted a growing trend of herbal and organic products. Based on this report the company decided to diversify into new variety of soaps with natural ingredients having benefits and fragrances of Jasmine, Rose, Lavender, Mogra, Lemon Grass, Green Apple, Strawberry etc. The Unique

Selling Proposition (USP) was to promote eco- friendly living in the contemporary lifestyle. 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.5

30. Veronika Ltd. a reputed truck manufacturing company requires Rs. 20 crores as additional capital to expand its business. Mr. Jindal, the CEO of the company, wants to raise these funds through equity. The finance manager, Mr. Sachdeva, suggests that the existing shareholders be offered the privilege to subscribe to new issue of shares as per the terms and conditions of the company which was agreed by Mr. Jindal. Name and explain the method through which the company decided to raise additional capital. Explain the other methods also.

OR

Define and compare the two types of financial markets. 5

31. "They don't sell what they can make, but they make what they can sell." Name and explain the marketing philosophy to which this statement is related. 5

32. Rajat joined as a CEO of Bharat Ltd., a firm manufacturing computer hardware. On the first day he addressed the employees. He said that he believed that a good company should have an employee suggestion system and he wished to minimise employee turnover to maintain organizational efficiency. He informed all employees that he would ensure that all agreements were clear, fair and there was judicious application of penalties. However, he said that he believed that lazy personnel should be dealt with sternly to send the message that everyone was equal in the eyes of among employees, which would give rise to a spirit of mutual trust and belongingness among team members and eventually minimise need for using penalties. He told all present that the interests of the organization

should take priority over the interests of any one individual employee. Identify and briefly explain any four principles of management given by Fayol, which Rajat highlighted in his address to the employees. Additionally, explain these principles.

OR

Define and explain the different principles of scientific management. 6

33. At present, apart from the basic pay and allowances as a part of compensation the employees and the employers contribute 12% of basic wages each towards employees' provident fund scheme and employees' pension fund scheme. A proposal to reduce the contribution from 12% to 10% of basic pay and dearness allowance was listed on the agenda for a recent meeting of employees' provident organization held. The stakeholders expressed their reservations about it, and they feel that it should be continued at 12%. Explain any two needs as suggested by Maslow's need hierarchy theory which will not be satisfied by the incentives discussed above with the help of a diagram.

OR

Define and compare the different leadership styles. 6

34. On Sonika's birthday, her mother gave her a pair of gold earrings. After one month, Sonika observed that they were losing their shine. She checked the mark on the earrings and found that the Hallmark was missing, and her mother had been cheated by the shopkeeper. So, she filed a complaint in the district forum which rejected it. She was very much disturbed by this decision and decided to appeal further after 2 months. Can she appeal against the decision of the district forum? Give reason to support your answer.

Differentiate between the district forum and the state commission. 6