

CLASS: XII
PRE-BOARD EXAMINATION (2023-24)
SUBJECT: BUSINESS STUDIES
SET- A 2

Time Allowed: 3 Hours

Max. Marks: 80

General Instructions:

- (i) This Question Paper contains 34 questions.
- (ii) Marks are indicated against each question.
- (iii) Answers should be brief and to the point.
- (vi) All parts of a question should be attempted in one place
- (v) This paper consists of 7 pages.

| S. No. | Questions | Marks | | | | | | | | |
|-----------------------|---|-----------------|------------------|------------------|---|---------------|--|-----------------------|---|---|
| 1 | <p>“Every member of an organization has a different purpose for joining the organization but as members of the organization they work towards fulfilling the common organizational goal. This requires team work and coordination of individual effort in a common direction.”</p> <p>Identify the characteristic of management highlighted above.</p> <p>a) Management is goal-oriented process b) Management is a group activity c) Management is multi-dimensional d) Management is a dynamic function</p> | 1 | | | | | | | | |
| 2 | <p>Match the concept of management in Column I with Column II :</p> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center; width: 50%;"><u>Column I</u></td> <td style="text-align: center; width: 50%;"><u>Column II</u></td> </tr> <tr> <td>A. Effectiveness</td> <td>(i) Doing the task correctly and with minimum cost.</td> </tr> <tr> <td>B. Efficiency</td> <td>(ii) Finishing the given task on time.</td> </tr> <tr> <td>C. Process management</td> <td>(iii) The primary functions or activities that performs to get things done.</td> </tr> </table> <p>a) (i), (ii), (iii) b) (ii), (i), (iii) c) (iii), (ii), (i) d) (i), (iii), (ii)</p> | <u>Column I</u> | <u>Column II</u> | A. Effectiveness | (i) Doing the task correctly and with minimum cost. | B. Efficiency | (ii) Finishing the given task on time. | C. Process management | (iii) The primary functions or activities that performs to get things done. | 1 |
| <u>Column I</u> | <u>Column II</u> | | | | | | | | | |
| A. Effectiveness | (i) Doing the task correctly and with minimum cost. | | | | | | | | | |
| B. Efficiency | (ii) Finishing the given task on time. | | | | | | | | | |
| C. Process management | (iii) The primary functions or activities that performs to get things done. | | | | | | | | | |
| 3 | <p>To meet the firm's objectives, the Asian Paints contributed a large amount of funds to enable farmers to use local resources effectively.</p> <p>Identify the management objective it tried to achieve.</p> <p>a) Organisational objectives b) Social objectives c) Personal objectives d) Economic Objectives.</p> | 1 | | | | | | | | |
| | <p><u>Read the following text and answer questions number 4 to 7 on the basis of the same:</u></p> <p>After completing her Bachelors in Fashion Designing from a well-known college in France, Akshara has opened a boutique in a posh market in Kolkata. She has divided the work in smaller units and each employee is well trained to perform his / her task efficiently. The sales persons are allowed to close a deal with a buyer by giving maximum of 5 percent discount, whereas the decision to give any further discount rests</p> | | | | | | | | | |

| | | |
|---|--|---|
| | with Akshara as the final authority. In the earlier period of her business venture, employees were asked to put in extra work hours. In return she had promised to give them a special incentive within a year. Therefore, when the business was doing well, she honoured her commitment by giving bonuses to her employees. She also instructed her employees that communication from top to bottom should follow the official lines of command. However, she tends to be more biased towards her female employees, when it comes to solve the conflicts among employees. | |
| 4 | Akshara tends to be more biased towards her female employees, when it comes to solve the conflicts among employees. Which principle is being violated here? a) Discipline b) Order <input checked="" type="checkbox"/> c) Equity d) Esprit De Corps | 1 |
| 5 | Akshara has divided the work in smaller units and each employee is well trained to perform his / her task efficiently. Which principle of management is being followed here? a) Centralization and Decentralization <input checked="" type="checkbox"/> b) Division of work c) Discipline d) Order. | 1 |
| 6 | "The sales persons are allowed to close a deal with a buyer by giving a maximum of 5 percent discount, whereas the decision to give any further discount rests with Akshara as the final authority." Identify the principle of Management being followed here: <input checked="" type="checkbox"/> a) Centralization and Decentralization b) Authority and Responsibility c) Unity of Command d) Unity of direction. | 1 |
| 7 | "Therefore, when the business was doing well, she honoured her commitment by giving bonus to her employees." Which principle is being highlighted here ? a) Discipline b) Order <input checked="" type="checkbox"/> c) Remuneration to employees d) Unity of Direction | 1 |
| 8 | Even after opening up of the Indian economy in 1991 foreign companies found it extremely difficult to cut through the bureaucratic red tape to get permits for doing business in India, which created a negative impact on business." Identify the dimension of the business environment that led to the creation of the negative impact on business. a) Social environment b) Technological environment <input checked="" type="checkbox"/> c) Political environment <input checked="" type="checkbox"/> d) Legal environment | 1 |
| 9 | "Planning cannot foresee everything and thus, there may be obstacles to effective planning. It becomes difficult to accurately assess future trends in the environment if economic policies are modified or political conditions in the country are not stable or there is a natural calamity." Identify the limitation of planning highlighted above. a) Planning leads to rigidity <input checked="" type="checkbox"/> b) Planning may not work in dynamic environment c) Planning does not guarantee success d) Planning involves huge costs | 1 |



| | | |
|----|--|---|
| | <p>Assertion (A) : Business Environment is aggregative in nature. Reason (R) : Business environment is the sum total of all things external to business firms</p> <p>a) Both Assertion (A) and Reason (R) are true. b) Both Assertion (A) and Reason (R) are false. c) Assertion (A) is true and Reason (R) is false. d) Assertion (A) is false and Reason (R) is true</p> | 1 |
| 11 | <p>_____ determines the superior subordinate relationship wherein the superior communicates his decision to the subordinate, expecting compliance from him and the subordinate executes the decision as per the guidelines of the superior.</p> <p>a) Authority b) Responsibility c) Accountability d) Delegation</p> | 1 |
| 12 | <p>Anchal purchased a food processing machine for ₹3,000 from 'Kajal Machinery Pvt. Ltd.' She found that the machine was not working properly. Despite many complaints, the defect was not rectified by Kajal Machinery Pvt. Ltd. Suggest the appropriate forum where Anchal can file her complaint.</p> <p>a) District Forum. b) State Commission. c) National Commission. d) Supreme Court.</p> | 1 |
| | <p><u>Read the following text and answer questions number 13 - 16 on the basis of the same:</u></p> <p>Good Life Ltd. is a manufacturing company dealing in pain relive tablets. It is Over The Counter(OTC) drug. These tablets are available in strips of ten Tablets. These strips are packed in the cardboard box and these boxes are placed in corrugated box and delivered to retailers for sales. The company also rolled out advertisement on major TV channels to boost the sales of the drug. The company has come up with a new muscles relaxant ointments with no chemicals and just herbs and plant based materials as its constituents. It helps in the satisfaction of the customers and does not leave any industrial waste after manufacturing. However, when the company released this, it did not provide the right method of using it. Thereby leading to many customers complaining about its ineffectiveness.</p> | |
| 13 | <p>Which packaging is highlighted in the lines "These strips are packed in the cardboard box and these boxes are placed in corrugated box and delivered to retailers for sales."?</p> <p>a) Primary b) Secondary c) Transportation d) Both (b) and (c)</p> | 1 |
| 14 | <p>Which elements of the marketing mix is highlighted in the lines, "The company also rolled out advertisement on major TV channels to boost the sales?"</p> <p>a) Product b) Price c) Physical Distribution d) Promotion</p> | 1 |

| | | |
|----|---|---|
| 15 | Which concept of marketing is highlighted in the lines, "It helps in satisfaction of the customers and does not leave any industrial waste after manufacturing"? a) Product b) Production c) Selling d) Societal Marketing | 1 |
| 16 | It refers to designing a slip to be put on the package which placed to the product to complex graphic that are part of package which denotes its nature, content, ownership, destinations, etc. Which of the following function of product mix is referred here? a) Packaging b) Branding c) Labelling d) None of the above. | 1 |
| 17 | Under Secondary market, sale of securities take place between; a) Company and Investors b) Company and other Company c) Investor and other Investor d) Government and Investor | 1 |
| 18 | Identify the correct sequence of the steps involved in the controlling process: a) Measurement of actual performance, Taking corrective action, Setting performance standards, Comparison of actual performance with standards, Analysing deviations. b) Comparison of actual performance with standards, Setting performance standards. Measurement of actual performance, Analysing deviations, Taking corrective action. c) Setting performance standards, Measurement of actual performance, Comparison of actual performance with standards, Analysing deviations, Taking corrective action. d) Taking corrective action, Measurement of actual performance, Comparison of actual performance with standards, Analysing deviations, Setting performance standards. | 1 |
| 19 | Raman and Vasudev were two employees who were embezzling an import-export company in Varanasi where they were working. The finance manager of the company Sampat Singh became suspicious of the two employees when he realized that their activities were not being performed as per the plans. He installed a software program that could secretly log every single stroke of the suspects' computer keys and send an encrypted email report to the Cyber police. The police were able to catch the two dishonest employees red-handed and arrest them. Identify the function of management being discussed above. a) Staffing b) Coordination c) Controlling d) Organising | 1 |
| 20 | Which of the following statements is incorrect? a) Providing liquidity to securities is one of the functions of stock exchange b) Process of holding shares in electronic form is known as Dematerialization c) Credit note is a legal document as it helps to settle disputes/claims between investor and the broker. d) Capital market consists of Commercial banks, Development banks and stock exchanges. | 1 |
| 21 | 'S' Limited is manufacturing steel at its plant in India. It is enjoying a buoyant demand for its products as economic growth is about 7-8 per cent and the demand for steel is growing. It is planning to set up a new steel plant to cash on the increased demand. It is | 3 |

| | | |
|----|--|---|
| | <p>estimated that it will require about `5000 crores to set up and about `500 crores of working capital to start the new plant.</p> <p>Explain the importance of having a financial plan for this company.</p> | |
| 22 | <p>Modern organisations are characterized by a high degree of specialization. Specialisation arises out of the complexities of modern technology and the diversity of tasks to be performed. Organisations, therefore, need to employ a number of specialists. Specialists usually think that they only are qualified to evaluate, judge and decide according to their professional criteria. They do not take advice or suggestions from others. This often leads to conflict among different spècialists as well as others in the organization.</p> <p>a) Identify the concept of management required in such given situations. b) State the reason why the concept identified in part (a) above is required in such a case. c) List other two importance of the above-identified concept.</p> | 3 |
| 23 | <p>Explain "Critical point control" with respect to Analyzing deviations, a step in the process of controlling. Give a suitable example.</p> <p style="text-align: center;">OR</p> <p>Explain "Management by exception" with respect to Analyzing deviations, a step in the process of controlling. Give a suitable example.</p> | 3 |
| 24 | <p>State any three points of importance of directing function of management.</p> <p style="text-align: center;">OR</p> <p>State any three measures to overcome the communication barriers.</p> | 3 |
| 25 | <p>Mr. Vivek is working as the General Manager of Jaipur Hotels Limited. Keeping a watch over the business environment was included in his routine activities. This company was giving not only the responsibility but also the authority of completion of work. Consequently, the employees felt good and motivated. Now they had started meeting their immediate managers with the latest ideas. Their suggestions were being taken respectfully by the company. Mr. Vivek observed that Government was taking a special interest in the Tourism industry. The receipt of foreign exchange and employment promotion were its two reasons. On the basis of this news, the company decided to set up hotels at several tourist places. Jaipur Hotels Limited established 50 hotels before other companies considered this issue. Very soon, this brand Jaipur Hotels Limited became well known in the market.</p> <p>a. Identify one importance of business environment described here by quoting the relevant lines. b. Explain any other three points of importance of business environment.</p> | 4 |
| 26 | <p>Vansh Limited is a large and reputed company that manufactures ventilators. After the COVID-19 outbreak in 2020, the company witnessed an increase in revenue by 40%. It plans to increase its production capacity further and start production of PPE kits, sanitizers, and masks in 2022. The Finance manager of the Company, Mr. Rajiv, feels confident about the future of the company and its liquidity position.</p> <p>Discuss the meaning of the Dividend Decision and, in light of the above statement, explain any two factors that should be considered by 'Vansh Limited' while formulating the company's dividend policy.</p> <p style="text-align: center;">OR</p> <p>Vedansh Limited has a share capital of ₹10,00,000 divided into shares of ₹100 each. For expansion purposes, the company requires additional funds of ₹ 5,00,000. The management is considering the following alternatives for raising funds: Alternative 1: Issue of 5000 Equity shares of ₹100 each</p> | 4 |

| | | |
|----|--|---|
| | <p>Alternative 2: Issue of 10% Debentures of Rs. 5,00,000 The company's present Earnings Before Interest and Tax (EBIT) is ₹4,00,000 p.a.</p> <p>Assuming that the Rate of Return on Investment remains the same after expansion, which alternative should the company use to maximize the returns to the equity shareholders? The Tax rate is 50%. Show the working.</p> | |
| 27 | <p>Enumerate any four benefits of the process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased.</p> <p style="text-align: center;">OR</p> <p>Name the mechanism that attempts to measure certain characteristics of individuals in the process of identifying and choosing the best person out of the number of prospective candidates for the job. Enumerate any three of its types.</p> | 4 |
| 28 | <p>In Saarthak Steel Ltd., several initiatives have been taken to improve the motivation levels of employees through designing jobs that include a greater variety of work content, providing certain stability about future income and work, providing fringe benefits like housing, medical aid, etc., allotment of shares in line with various incentives.</p> <p>Identify and briefly explain the incentives being given by Saarthak Steel Ltd. to the employees.</p> | 4 |
| 29 | <p>a) A company is manufacturing paper plates and bowls. It produces 1,00,000 plates and bowls each day. Due to local festival, it got an urgent order of extra 50,000 plates and bowls. <i>labour contractors</i></p> <p>Name the method of recruitment that the company should adopt in the given circumstances to meet the order.</p> <p>b) Kaul Consultants have launched www.naukaripao.com exclusively for senior management professionals. The portal lists out senior level jobs and ensures that the job is genuine through rigorous screening process. <i>web Publishing</i></p> <p>Identify the source of recruitment highlighted in the case above and explain any two benefits of the above-identified source of recruitment.</p> | 4 |
| 30 | <p>Superb Skin Care Ltd, a leading brand of skin care products has come up with a new range of anti-ageing skin cream which they claim is 100% herbal and without any side effects. They have also set up a website to encourage consumers to ask queries and the company responds to them very quickly. It is used as a way to connect with the customers and it has also proved to be a brilliant tactic for busting out some myths about the product. It has also created transparency and makes the consumers feel personally involved with the company.</p> <p>a) Identify the function of marketing identified in the above case.</p> <p>b) Also explain the other three functions.</p> | 4 |
| 31 | <p>a) Raj a marketing manager is a patient of diabetes for which he takes medicines regularly. One day, on his tour to Patna he met with an accident and was hospitalized. Due to doctor's negligence a delicate nerve of his right leg was cut rendering crippled throughout his life. <i>Rs. gone to safety</i></p> <p>Identify and explain the consumer right that has been violated by the doctors under the consumers protection Act, 2019 in the above situation.</p> <p>b) Mohit bought a packet of chips from a local shopkeeper and found that the ingredients given on the label were not legible. He complaint about it to the company. The company sent a written apology stating that they will make sure that existing</p> | 6 |

| | | |
|----|---|-----|
| | <p>packets are withdrawn from the market and new packets with legible labels are soon made available. Name and explain the consumer right which Mohit exercised. <i>Right to be informed</i></p> <p>c) Gunjan goes to a doctor to get herself treated for an injury in her hand. The doctor being her distant relative charged her nothing for the treatment. However, after a few days she develops an infection on the wound because the doctor didn't use sterilized instruments. Later on, she is advised by the surgeon to get the infected finger removed. Therefore, she is very angry with the doctor.</p> <p>In context of the above case: Can Gunjan file a case against the doctor if she decides to take legal action? why or why not? Give reason in support of your answer.</p> | |
| 32 | <p>a) 'MYKAA Limited' is dealing in all types of cosmetic products. It is enjoying increased demand for its product during the last few years. For the purpose of expansion, the company needs ₹ 100 crores as additional capital. The company decided to raise funds through equity shares. Chirag Kapoor, the finance manager of the company, recommended that the shares may be sold through issuing houses or brokers. Identify and explain the method recommended by Mr. Kapoor through which the company can raise additional funds for expansion purposes.</p> <p>b) State any four regulatory functions of the Securities and Exchange Board of India</p> | 2+4 |
| 33 | <p>Q. Explain any four points of features of planning.</p> <p style="text-align: center;">OR</p> <p>Q. Explain any four points of limitations of planning.</p> | 6 |
| 34 | <p>Decentralisation is an optional policy. Explain why an organisation would choose to be decentralised. (any 4 points)</p> <p style="text-align: center;">OR</p> <p>What is a divisional structure? Discuss its advantages and limitations. (any two points each)</p> | 6 |