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Set-A

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Roll No. 31.....

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MG-70

BUSINESS STUDIES (054)

Time : 3 hrs.]

Class XII

[M.M. : 80

General Instructions—

- (i) This question paper contains 34 questions.
 - (ii) Marks are indicated against each question.
 - (iii) Answer should be brief and to the point.
 - (iv) Answer to the questions carrying 3 marks may be from 50 to 75 words.
 - (v) Answer to the questions carrying 4 marks may be about 150 words.
 - (vi) Answer to the questions carrying 6 marks may be about 200 words.
 - (vii) Attempt all parts of the questions together.
1. Public issue of shares and debentures have to be made under SEBI guidelines. Raising funds from banks and other financial institutions require fulfilment of other norms. The relative ease with which these norms can be met or the procedures completed may also have a bearing upon the choice the source of finance. The factor affecting the choice of capital structure is..... 1
- (a) Stock market conditions
 - (b) Capital structure of other companies
 - (c) Regulatory framework
 - (d) Flexibility
2. Shyam Udyog, a car manufacturing Co., has started its business with Zoom 800 and slowly launched Zoom-1000, wagon-Z etc. and offered various services like after sale service, availability of spare parts etc. Identify the element of marketing mix referred here. 1
- (a) Production
 - (b) Product
 - (c) Selling
 - (d) Marketing

P. T. O.

3. With a revolution taking place in the manufacturing of mobile phones with super class cameras, the business of cameras in the consumer market has taken a hit. Studies show that mobile phone photography has divested the camera industry.

The dimension of business environment highlighted in the above case is: 1

- (a) economic Environment (b) Technological Environment
(c) Social Environment (d) Political Environment

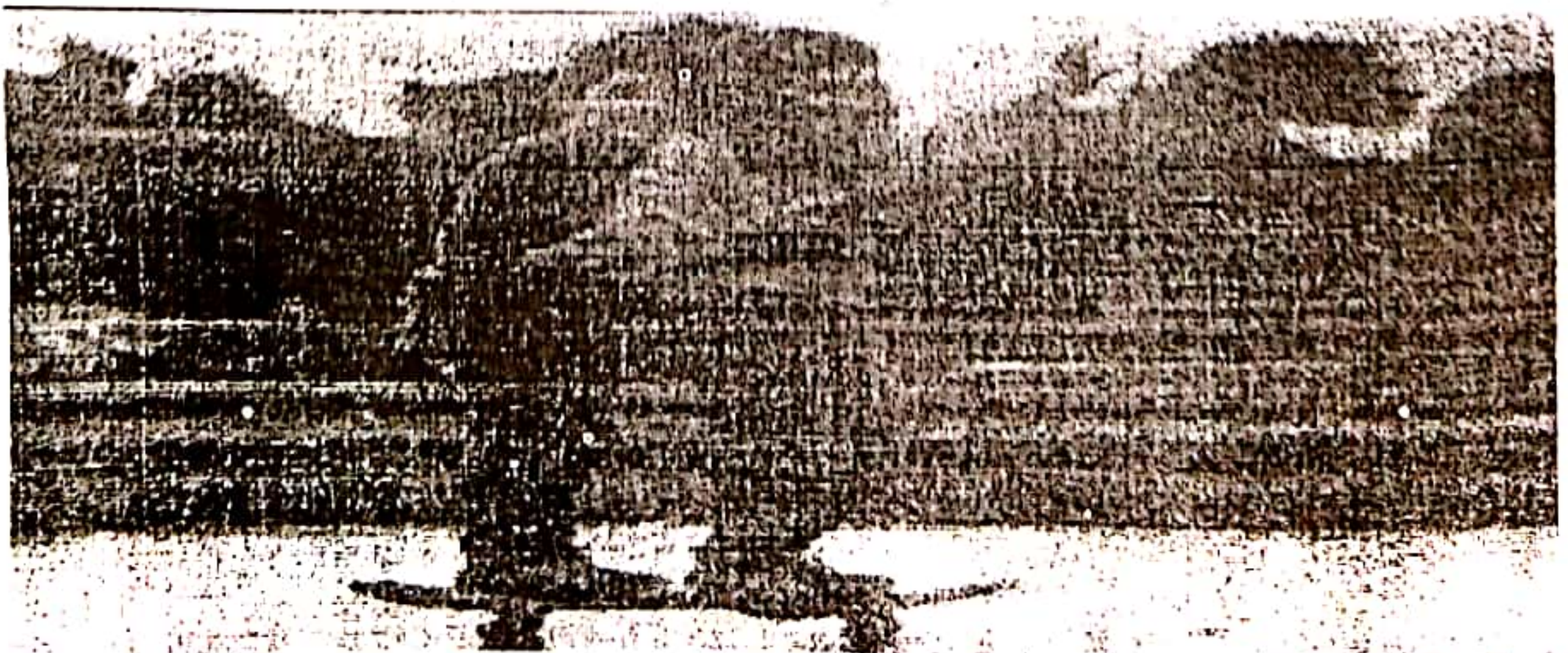
4. The tool of promotion which involve making use of short-term incentives designed to encourage the buyers to make immediate purchase of a product or a service is called: 1

- (a) Advertising (b) Personal Selling
(c) Sales Promotion (d) Public Relations

5. Sika Ltd., a reputed industrial machines manufacture needs Rupees twenty crores as additional capital to expand the business. Mr. Amit Joshi, the chief Executive Officer (CEO) of the company wants to raise funds through equity. The finance manager, Mr. Narender Singh, suggested that the shares may be sold to investing public through intermediaries, as the same will be less expensive. Name the method through which the company decided to raise additional capital. 1

- (a) Offer for sale (b) Private Placement
(c) Rights Issue (d) Initial Public Offer

6. The given picture is related to which concept of management : 1



- (a) Importance (b) Coordination
(c) Objective (d) Level

7. The process of holding securities in an electronic form is called _____. 1

- (a) Allocation (b) Flotation
(c) Financial intermediation (d) Dematerialisation

8. Ashok Ltd. set up a manufacturing unit at Amarkantak at Madhya Pradesh to manufacture electric geysers and supply them to dealers all over the country. Their production target was 500 geysers per week. It was decided by the management that variation in production up to 10 units would be acceptable. At the end of the first week, the production was 450 geysers. The next week, production increased to 470 geysers. A week later, production was 460 geysers. On investigation, it was found out that fluctuation in production was due to irregular supply of electricity. 1

Identify the function of management highlighted in the above Para.

- (a) Planning (b) Organising
(c) Directing (d) Controlling

9. Which of the following statement is false? 1

- (a) The marketing concept cannot be considered adequate if we look at the challenges posed by social problems like environment pollution, deforestation, shortage of resources, population explosion and inflation.
(b) In all cases, the primary package is kept throughout the entire life of the product.
(c) Most marketing firms give high importance to the fixation of price for their products and services.
(d) A firm may sell its products at a price, which does not cover all the costs.

10. Read the following statements- Assertion (A) and Reason (R): 1

Assertion (A) : Coordination is the essence of management.

Reason (R) : Coordination is process by which a manager synchronises the

activities of different departments. It is the force that binds all other functions and thus called the essence of management.

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
- (c) Assertion (A) is true and reason (R) is false.
- (d) Assertion (A) is false and reason (R) is true.

11. The organisation structure of a firm is shown in _____.

- (a) Organisation chart
- (b) Span of management
- (c) Functional structure
- (d) Divisional Structure

12. Prachi Jain is the Senior Manager in the Advisory Services Department of Kodes Ltd.

She regularly prepares performance reports of her subordinates as a part of the appraisal. The step of the controlling process performed by her is _____

- (a) Taking corrective action
- (b) Measurement of Actual Performance
- (c) Comparing Actual Performance with Standards
- (d) Analysing Deviations

13. **Statement I :** Advertising is a paid form of communication

Statement II : Advertising is a personal method of promotion.

- (a) Statement I is correct and Statement II is not correct.
- (b) Statement II is correct and Statement I is not correct.
- (c) Both the statement I and II are correct.
- (d) Both the statement I and II are not correct.

14. India Tours Ltd. is a travel agency which books air tickets on commission basis. It takes two days for India Tours to get the tickets from airport reservation counter

and deliver the same to customers. During the last one year there has been drastic decrease in its business as most of the customers have shifted to another travel agency, 'Shiva Tours and Travels' which provides tickets within half-an-hour through internet. Identify the dimension of business environment that is being overlooked by 'India Tours Ltd'.

1

- (a) Technological Environment (b) Legal Environment
(c) Political Environment (d) Economic environment

15. Name the concept of management which helps a manager to extend his area of operations as without it, his activities would be restricted to only what he himself can do.

1

- (a) Authority (b) Responsibility
(c) Delegation (d) Decentralisation

16. **Statement I :** The stock exchange provides scope for speculation.

1

Statement II : The stock exchange enhances cash ability (liquidity) of shares, i.e. it indirectly promotes capital formation and contributes to economic growth.

- (a) Statement I is correct and Statement II is not correct.
(b) Statement II is correct and Statement I is not correct.
(c) Both the statement I and II are correct.
(d) Both the statement I and II are not correct

17. "The increase in the demand for many Ayurvedic medicines, Health products and services in the past few months, is related to the need for building immunity and an increased awareness for health care due to the spread of Corona virus." Identify the features of business environment being described above.

1

- (a) Specific and General forces (b) Interrelatedness
(c) Relativity (d) None of the above

18. Match the various 'Marketing Philosophies' in Column-I with their respective statement I in Column-II :

1

Column-I

- A. Marketing Concept
 B. Production Concept
 C. Product Concept
 D. Selling Concept
 (a) A-(i), B-(ii), C-(iii), D-(iv)
 (c) A-(i), B-(iii), C-(iv), D-(ii)

Column-II

- (i) Profit through consumer's satisfaction
 (ii) Profit through sales volume
 (iii) Profit through volume of production.
 (iv) Profit through product quality.
 (b) A-(i), B-(iii), C-(ii), D-(iv)
 (d) A-(iii), B-(i), C-(ii), D-(iv)

19. Which one of the following is incorrect about management? 1

- (a) Management unites the efforts of people in the organisation towards achieving the predetermined goals
 (b) Management helps people adapt to environmental changes
 (c) Management is one-time activity performed at the commencement of a business.
 (d) Management's presence can be felt and experienced but not seen

20. _____ is considered an element of social environment. 1

- (a) Expansion of transportation and communication facilities.
 (b) Expectations from the workforce
 (c) the extent and nature of government interventions in business.
 (d) Rate of saving and investment.

21. The principal of 'Subhash Public School, Shri Mohan Prashad, set up the goal of 'Quality Education' for his school. For the realisation of this goal he made several plans. His special focus was on the satisfaction of employees. At the end of the year it was found that all his activities were done successfully in accordance with the plans made. It took no time for the people to know the news that the school had accomplished its goal of quality education. Everyone said that it was a miracle performed by the school management. 3

- (a) Identify the features of management referred to in the above paragraph.
 (b) Also explain two more features of management.

22. Explain any three points of importance of 'Controlling' function of management.

OR

Explain:

3

(a) Critical point control; and

(b) Management by exception, as an important part of Analysing Deviations' a step in the process of controlling.

23. A company manufactures 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. Explain the method of recruitment that the company should adopt in the given circumstances to meet the order.

3

24. State any three functions of Stock Exchange.

3

OR

State any first three steps involved in the screen-based trading for buying and selling of securities.

25. Give the meaning of 'Formal Communication' and 'Informal Communication'.

4

OR

State any four organisational barriers of communication.

26. State any four limitations of using internal source of recruitment?

4

OR

Explain two sources of recruitment for various job positions which are more reliable as the candidates are already known to the organisation and do not need induction training.

27. Mr. Mahendra Mishra Purchased a 500 ml bottle of fruit juice for Rs. 60 in Rajnandgaon from a local store. While consuming it, he found an insect floating in it. He sent a legal notice to the company immediately and decided to approach a Consumer Disputes Redressal Agency for a relief of Rs. 2 lakh.

4

(a) Which consumer disputes Redressal Agency did Mahendra approach, out of the three-tier machinery set up under Consumer Protection Act, 2019 for redressal?

- (b) If Mahendra is not satisfied by the order of the above Agency, where can he appeal against such order and within how many days?
- (c) State any two reliefs that can be granted to Mahendra in the above case.
28. Explain the following factors affecting Dividend Decision of the company: 4
- (a) Amount of earning (b) Growth opportunities
29. Shashank is the production manager of 'Ravindra Tea Company' in Raipur. He gives orders to his subordinates and expects that they obey those orders. 4
He does not consult them nor encourage them to participate in decision making.
- (a) Identify and state the leadership style adopted by Shashank.
(b) When can this style be effectively used by a manager? State.
30. G Shrivastava is working as a finance manager in 'Kozee Softwares Ltd.' He has been 4 awarded 'best employee of the year Award' because of his foresightedness. He always aims at smooth operations of all the financial activities by focusing on fund requirement and their availability in the light of financial decisions. He takes into considerations the growth, performance, investments and requirement of funds for a given period so that financial resources are not left idle and don't unnecessarily add to the cost. 4
By doing all this G Shrivastava strives to achieve the two main objectives of an important concept of financial management. Identify the concept and explain its two objectives.
31. Explain any four principles of Fayol from the following: 6
- (a) Discipline (b) Unity Of command
(c) Unity of direction (d) Order
(e) Initiative

OR

Explain any four techniques of Scientific management from the following :

- (a) Functional Foremanship (b) Method Study
(c) Motion Study (d) Time Study
(e) Fatigue Study
32. Explain, in brief any six types of plans. 6

OR

Explain the following limitations of planning:

- (a) Planning reduces creativity
- (b) Planning involves huge costs
- (c) Planning may not work in a dynamic environment

33. Aryan had a garments business specialising in jackets for all seasons. Though the jackets were available at an affordable price, the business was not doing well. Aman, his eldest son, suggested that they should undertake aggressive selling and promotional efforts to make customers buy the products. He believed that customers buy only when they are adequately convinced and motivated for the same. Aditya, his second son, believed that availability, low price and aggressive selling techniques cannot ensure increased sales. He felt that customers looked for products which were superior in quality and do not mind paying a high price for it. So, he decided to manufacture good quality jackets at a separate production unit. He also opened a separate outlet on the first floor of the showroom for the same. Very soon the business started flourishing.

Identify and explain the marketing philosophies guiding the marketing efforts of Aryan, Aman and Aditya.

6

34. Info Med Ltd. is a growing IT firm with rapidly increasing market share. It has recently been awarded 'The Best Organisation to Work in India-2019' and is the most sought after by job-seekers.

In this company, rules and procedure to be followed by employees have been clearly laid down by the top management. There is no ambiguity in the role that each member has to play, as the duties are specified. During lunch time, all employees of the organisation get together in the canteen. This time is much awaited by every employee as it allows them to share their feelings with others. This leads to the success of the organisation.

- (a) Identify and explain the types of organisation being discussed in the above case.
- (b) State two advantages of each type of organisation identified in (a) above which have not been discussed in the above para.