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**INDIAN SCHOOL SOHAR**  
**PRE BOARD**  
**BUSINESS STUDIES**

**Date: - 01.12.2015**

**Marks: - 80**

**STD: - XII**

**Time: - 3hrs**

**General Instructions:-**

- (i) Answers to questions carrying 1 mark may be from one word to one sentence.
- (ii) Answers to questions carrying 3 marks may be from 50 – 75 words.
- (iii) Answers to questions carrying 4 – 5 marks may be about 150 words.
- (iv) Answers to questions carrying 6 marks may be about 200 words.

1. “Grouping similar nature jobs into larger units called departments” is the second step in the process of one of the functions of management. Identify the function. 1
2. Different techniques were developed by Taylor to facilitate the principles of scientific management. One of them is “Fatigue Study”. What is the objective of this study? 1
3. “The understanding of business environment enables the firms to identify opportunities and threats.” What do “opportunities” and “threats” mean here? 1
4. Nisha a school bag manufacturer decided to improve the product for profit maximisation and thus added a water bottle holder to the existing design. Identify the marketing philosophy adopted by Nisha. Explain this philosophy on the basis of means and ends. 1
5. Finance is required for buying variety of assets that may be tangible and intangible. Give examples of intangible assets. 1
6. The first step in the process of organising is identification and division of work. Why is the work divided into manageable activities? 1
7. Why is shareholders’ wealth maximisation linked to the market price of a company’s shares? 1
8. Amita filed a case against Mahindra Ltd.in the National commission. But she was not satisfied with the orders of the National Commission. Name the authority where she can appeal against the decision of the National Commission 1
9. Lately many companies have planned for significant investment in organised retailing in India. Several factors have prompted their decision in this regard - customer income is rising. People have developed a taste for better quality products even though they may have to pay more. The government permitted cent percent direct foreign direct investment in some sectors of retailing. Identify the changes in business environment under different dimensions quoting the lines from the above para. 3
10. You are a toothpaste manufacturer and you have introduced a new brand of toothpaste in the market. How will you determine the price of this product? Explain by giving any three points. 3

11. Rajeev and Sanjeev are managers in the same organisation having different units. While discussing about the function of management. Rajeev says” Planning is looking ahead whereas controlling is looking back.” But Sanjeev says,” Planning is looking back whereas controlling is looking ahead.” Both are giving reasons in favour of their statements. 3  
 Explain the possible reasons given by both and justify who is correct.
12. “Managerial functions cannot be carried out without an efficient system of communication.” Do you agree with this statement? Give any three reasons in support of your answer. 3
13. The workers of Mike Communication Ltd. Always try to show their inability when any new work is given to them. They are always unwilling to take up any kind of work. Due to sudden rise in demand the company meet excess orders. The supervisor is finding it difficult to cope with the situation. Suggest any four ways for the supervisor to handle the problem. 3
14. Mega Ltd. was manufacturing water heaters. In the first year of its operations, the revenue earned by the company was just sufficient to meet its costs. To increase its revenue, the company analysed the reasons of less revenues. After analysis the company decided 4
1. To reduce the labour cost by shifting the manufacturing unit to a backward area where labour was available at a very low cost.
  2. To start manufacturing solar water heaters and reduce the production of electric water heaters slowly.
- This will not only help in covering the risks, but also help in meeting other objectives too.
- A. Identify and explain the objectives of management discussed above.
  - B. State any two values which the company wanted to communicate to the society.
15. What is consumer Protection? State any three points of importance of consumer protection from business point of view. 4
16. Blue Heaven Ltd. purchased a new hi tech machine from Germany for manufacturing high quality auto components in a cost effective manner. But during the production process, the manager observed that the quality of production was not as per standard. On investigation it was found that there was lack of knowledge amongst the employees of using high tech machines. So frequent visit was required from Germany. This resulted in high overhead charges. 4
1. Suggest what can be done to develop the skills and abilities of employees for producing high quality products by using these hi tech machines
  2. Also state how the employees or the organisation will benefit from your suggestion.

17. Mr. Ajay after completing MBA from USA comes to India to start a new business under the banner ECom Creation Ltd. He launches a new product in e – learning for Senior Secondary School 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 the other subjects also. 4
- Identify and quote the lines from the above para which highlight the significance of understanding business environment.
18. Distinguish between functional and divisional structure of organisation on the basis of the following 4
- Meaning
  - Managerial development
  - Specialisation
  - Responsibility
19. Explain “Setting performance standards” and “Critical point control”. 4
20. What is stock exchange? Explain briefly its four functions. 5
21. ‘Delegation is the entrustment of responsibility and authority to another and the creation of accountability for performance.’ 5
- In the light of this statement identify and explain the essential elements of delegation.
  - How is delegation different from decentralisation.
22. “Generally consumers like to purchase goods directly from the producers but it is not always possible.” Give reasons, why it is so by explaining the factors responsible for it. 5
23. You are Personnel staffing manager for Kapil and Company Ltd. You have been directors of the company to select a Chartered Accountant for the company. Explain the selection procedure you will follow for the same. 6
24. Krishna Ltd. is manufacturing steel at its plant in Noida. Due to economic growth, the demand for steel is also growing. The company is planning to set up a new steel plant at Gurgaon. It needs ₹300 Crores through debentures, ₹200 Crores through long term loans from banks and ₹200 Crores by issue of equity shares to the public. It decided to finance the remaining amount by utilising its reserves and surplus. 6
- State the importance of financial planning for this company.
  - What is the capital structure of this company?
  - Identify the financial decisions involved when the company decides to raise ₹ 800 Crores from different sources.

4. How will the dividend decisions of Krishna Ltd. Be affected? Explain.

25. Sigma Ltd. is a large company manufacturing electric motors. The company has several departments – Production, Marketing, Finance and HR. Mr. Shashank, CEO of the company set the target sale of ₹10 Crore in a month. To increase the sales, the marketing manager, Mr. Ishaan insists on 10% discount to customers. But the finance manager, Mr. Mohan does not approve such discount as it would mean loss of revenue. Because of dual sub ordination, the sales manager Mr. Ankit could not achieve the sales target

1. Identify the concept of management Sigma Ltd. is lacking.
2. State the principle of management which has been overlooked by the company.
3. Which principle of Fayol will you suggest the company to follow? State it.