



INDIAN SCHOOL SOHAR
SECOND TERM EXAM
BUSINESS STUDIES

Class: XII
Date: 28.11.2016

Max Marks: 80
Time: 3 hours

Instructions

1. All Questions are compulsory
2. Answers to questions carrying 1 mark may be from one word to one sentence
3. Answers to questions carrying 3 marks may be from 50 to 75 words
4. Answers to questions carrying 4 marks may be about 150 words
5. Answers to questions carrying 6 marks may be about 200 words
5. Attempt all parts of a question together.

1. The number of subordinates that can be effectively managed by a superior refers to which aspect of management? 1
2. Mc.Donald Co does not give its franchise to any other company which is running food business. This is related to which type of plan? 1
3. Name the term or process which means integrating the economy with the rest of the world. 1
4. Purchase manager of ABC Ltd gave order to supply raw material @ Rs.1,000 per quintal to his relative whereas same quality raw material is available @ Rs.900 per quintal by another supplier. This is violation of which principle of management. 1
5. Success of Dubbawala (who carry Tiffin to offices) of Mumbai is example of which aspect of management. 1
6. Which are the claims appealable before the Supreme Court under the consumer protection Act? 1
7. Blue Birds Ltd issues shares to its employees at a price less than the market price. Name the type of incentive offered to the employees. 1
8. What is labelling? 1
9. "External sources of recruitment are better than internal sources of recruitment" Give any three reasons in support of this statement. 3
10. The production manager of an automobile company asked the foreman to achieve a target production of 200 scooters per day. But he did not give him the authority for requisition of tools and materials from the store department. Can the production manager blame the foreman if he is not able to achieve the desired target? Explain briefly the principle relating to the situation. 3
11. Philips a company manufacturing lights and bulbs incurred heavy expenditure on scientific research and development and discovered a technology that made it possible to produce an energy efficient bulb that lasts at least twenty times as long as a standard bulb. It resulted in growth and profitability of the company.
 (a) Identify and state the dimension of business environment mentioned above

- (b) State the importance of business environment mentioned in the above paragraph by quoting the lines
(c) State any one value which company wants to communicate to the society. 3

12. Mansi, a shoe manufacturer for school students decided to maximize her profit by producing and distributing shoes at large scale and thereby redirecting the average cost of production.

(i) Identify the marketing philosophy adopted by Mansi.

(ii) Explain this philosophy on

(a) Main Focus.

(b) Means and ends 3

13. "Determining the overall cost of capital and the financial risk of the enterprise depends upon various factors" Explain any 3 such factors. 3

14. As a project in business studies subject, the commerce students of 'Creative Public School' thought of setting up a recycling plant to recycle all the waste papers from the school and prepare registers and exercise books to be used by the school students. They approached their principal who not only appreciated the idea of the students but also gave her consent for the same. The school also decided to donate 50% of the revenue generated from the sale of registers and exercise books to a nearby blind school.

(a) State the product related decisions which the children have to take?

(b) Suggest any two factors the children should keep in mind while choosing the right name for their exercise books and registers.

(c) Identify any two values communicated to the society by this project of "Creative Public School" 4

15. Arif and Mohammed are friends. Both were commerce graduates in a renowned institute. Their degree course was about to complete when a multinational company visited the institute and selected both of them. Both were fond of social activities. They decided to set up a factory in their own village such factory that not only provided self-employment but employment to others as well. In order to make their decisions successful they left their job. Arif set up a factory in his own village. This factory produced flour, oil and cotton. In this way he established a manufacturing unit providing employment to as many as 80 persons. On the other hand Mohammad opened a show room in a nearby town. He engaged himself in trading the goods produced by Arif. The salient feature of his business was that he used to sell 100% pure products at minimum possible price. Efforts of both resulted in full support in the development of their area.

(a) In the above paragraph three factors affecting fixed capital have been mentioned concerning Arif's business. Identify them and explain the factors.

(b) Identify the source of recruitment as mentioned in the above paragraph.

(c) In the above paragraph identify any two values that are being provided to the society. 4

16. Explain any four ways and means of consumer protection followed in India. 4

17. Advertisement is an important business activity. On the other hand, it makes available to the people information regarding different new and old products and on the other, it is also a source of living for many persons. Impressed by these traits of advertisement Kavya, Manju and Sanju three students of class-XII made up their mind to go ahead with project work on advertisement. All the three conversed with the people about the advertisement. Each one of them, on the basis of this survey, concluded as under.

- (i)Kavya opined that advertisement costs get transferred to Consumers in the form of high prices.
- (ii) Manju was of the opinion that advertisement showed reality in a twisted form.
- (iii)Sanju maintained that advertisement was turning people from reality to artificiality.
- (a)What do the above remarks about advertisement hint it? Clarify it.
- (b) Identify two values that advertisement presents to the society.

4

18. Surkshit Service Providers Limited is a well-known company for removing the routine problems of the people. This company provides all types of big or small services: namely, health services, complaints regarding electricity faults, complaint about faults in electronic items, complaint about faults in vehicles etc. This company has opened its offices at different places. The policy of the company is that women should preferred to be appointed as the heads of every office. Besides, under this policy some positions shall be reserved for handicapped women also. The head of every office shall have the full authority to take decisions concerning the activities of her office. For example every head shall be completely free to bargain with customers regarding the fee to be realized from them.

- (a)Which concept of management has been mentioned in the paragraph given above?
- (b)Write about two of the advantages of the concept identified in point (a)
- (c)Identify two values of the company.

4

19. Is management profession like accounting, medical and legal professions? Give reasons in support of your answers.

4

20. Mr.Anil Garg is working as Managing director of "CLS Packaging Limited" He is not in favour of selling waste materials in the market. Instead he is planning to make himself new products of this material. For this purpose, a new unit will have to be set up. Accordingly, he decided to establish this unit in an area where large number of persons are unemployed and so labour is available at cheap rate. In order to attract workers to this new unit a special remuneration scheme was introduced. As per this scheme, workers will get their remuneration on the basis of their work. There will be two rates of wages higher wage rate and lower wage rate. A worker who will work up to a given standardized units or beyond will be paid his/her remuneration at a higher rate. On the other hand, a worker who will work less than the given standardized units will be paid his/her remuneration at a lower rate. In order to operate this new unit Mr.Garg established a separate 'Waste material division' it consisted of four departments such as purchase, sales, production and accounts. Company required four managers to run these departments, of these two managers were appointed from the existing business, by way of promotion while the other two were selected out of the waiting list maintained by the company.

- (i)Which form of organization structure is being adopted by the company? Explain any two advantages of the organization structure identified by you.
- (ii)Identify and give the meaning of wage payment scheme adopted by the company to motivate the workers.
- (iii)What methods of recruitment have been adopted by the company?
- (iv)Identify these two values that Mr.Garg has been dedicating to the society by establishing this new unit.

5

21. The directors of a company want to modernize its plant and machinery by making a public issue of shares. They wish to approach the stock exchange, while the finance manager prefers to approach a consultant for the new public issue of shares. Advise the directors whether to approach the stock exchange or a consultant for new public issue of shares and give reasons? Also advise about the different methods which the company may adopt for the new public issue of shares. 5

22. Mrs.Saradha is the divisional manager of the Export division of 'Swad Tea Limited' For some time since past a restriction has been imposed on Export of tea. It is evident that the company's export business depends on the government's policy. Recently there has been a change of government in the centre. As soon as the new government took over, it removed the restriction imposed on the export of tea. With the coming this news the division under Mrs.Saradha heaved a sigh of relief.

(a) The change of government is having its impact on the two dimensions of business environment. Identify them.

(b)Identify the characteristics of Business environment described.

(c) Explain any other two dimensions of business environment which affects the business. 5

23. Mr.Radha Krishnan is the production manager of 'Krishna Milk products Pvt' Ltd. He is producing several milk products. Various alternatives are available for producing each product. It is the endeavor of Mr.Radha Krishnan that best and cheap alternative is used in production. According to it, a proper place will be earmarked for everything used in the production department. He has also directed the employees of the department that everything should be available at its decided place. There is a provision for awarding punishment to those who ignore this direction. All activities of Mr.Radha Krishnan's department are closely related to each other. To maintain balance among them he makes special efforts so that there is no obstruction in production.

(a)Which technique of scientific management is being practiced by the company in the above paragraph?

(b)Quoting the lines, from the above paragraph identify that function of the management which is called Essence of management?

(c)Which principle of Henri Fayol is being followed by the company?

(d)Explain any two principles of management of Henri Fayol. 6

24.'Mission Coach Ltd is a large and creditworthy company manufacturing coaches for Indian Railways. It now wants to export these coaches to other countries and decides to invest in new hi-tech machines. Since the investment is large it requires long-term finance. It decides to raise funds by issuing equity shares. The issue of equity shares involves huge floatation cost. To meet the expenses of floatation cost, the company decides to tap the money market.

(i)Name and explain the money market instrument the company can use for the purpose of raising fund.

(ii)What is the duration for which the company can get funds through this instrument?

(iii)State any other purpose for which this instrument can be used.

(iv)Distinguish money market with capital market on the basis of

a)liquidity b) Instruments traded c)Participants. 6

25.'Though planning is an important tool of management, yet it is not a remedy for all types of problems' Do you agree with this statement. Give any 5 reasons in support of your answer. 6
