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INDIAN SCHOOL SOHAR
FIRST TERM EXAM
BUSINESS STUDIES [054]

Date: - 17.9.2017

STD: - XII

Marks: - 80

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. Why management is called an intangible force? State. 1
2. Ramesh after completing his graduation started working with a multinational company in Delhi. But due to personal reasons went back to stay in his village where he found that though the villagers were literate they were ignorant about their rights. Many vendors were using stones as weights to sell vegetables and some shopkeepers were selling food items without FPO mark. The villagers did not find anything wrong with these practises. Ramesh decided to create awareness among villagers. He decided to publish a weekly Jan Jagaran. State the Right which Ramesh has exercised by doing so. 1
3. The first step in the process of organising is identification and division of work. Why is the work divided into manageable activities? 1
4. Name the mathematical technique which managers may apply while selecting best possible course of action. 1
5. Shreemaya Hotel in Indore was facing a problem of low demand for its rooms due to off season. The Managing Director (MD) of the hotel, Mrs. Sakina was very worried. She called upon the Marketing Manager, Mr. Kapoor for his advice. He suggested, that the hotel should announce an offer of 3 Days and 2 Nights hotel stay packaged with free breakfast and one day religious visit to Omkarehswar and Mahakaleshwar Temples. The MD liked the suggestion very much. 1
Identify the promotional tool, which can be used by the hotel, through which large number of prospective pilgrimage tourists, all over the country and also abroad, can be reached, informed and persuaded to use the incentive.
6. Give one point of difference between technique of management and principles of management. 1
7. Garima Ltd. a manufacturer of car engines achieves a break through by developing a car engine which runs on water. This development is effectively communicated by the company to its dealers and prospective customers. Because of this break through the image of the company has gone up. The company has set up a department those advices its top management to adopt such programmes 1

- which will add to its public image. Name and state the term that is used here.
8. Reshu's father has gifted her shares of a large cement company, with which he had been working. The securities were in physical form. She already has a bank account and does not possess any other forms of securities. She wished to sell the shares and approached a registered broker for the purpose. Mention one mandatory detail which she will have to provide to the broker 1
9. Astra Ltd is engaged in the manufacture of apparel. Over the years, it has become a popular brand due to its good product quality and exclusive designing. The company plans to open its own showroom in metropolitan cities in India. In order to meet its financial needs the company has offered for subscription an IPO of ₹ 4 Lakh equity shares in the price band of ₹ 430 - ₹ 445 each. As per the guidelines of SEBI the company has provided a complete disclosure of the relevant details in its prospectus. 3
- Identify and explain the right of the consumer being fulfilled by the directives of SEBI in the above mentioned case.
 - Briefly explain any two points highlighting the importance of consumer protection from the point of view of the businessmen.
10. The directors of Amal Ltd., an organisation manufacturing sewing machines have asked their production manager to achieve a target of producing 100 sewing machines in a week. The production manager has asked his foreman to achieve this target but did not give him the authority for the requisition of tools and materials from the stores department. The foreman could not achieve the desired result. 3
- Can the directors blame the production manager and can the production manager blame the foreman for not achieving the target? Explain the relevant principles relating to this situation
11. "A good understanding of environment by business managers enables them not only to identify and evaluate but also to react to the forces external to their firm." In light of the above statement explain any three points of importance of understanding business environment by a manager. 3
12. XYZ power Ltd set up a factory for manufacturing Solar lanterns in a remote village as there was no reliable supply of electricity in rural areas. The revenue earned by the company was sufficient to cover the costs and the risks. The demand of lanterns was increasing day by day, so the company decided to increase production to generate higher sales. For this, they decided to employ people from nearby villages as very few job opportunities were available in that area. The company also decided to open schools and crèches for the children of its employees. 3
- Identify and explain the objectives of management discussed above.
 - State any two values which the company wanted to communicate to the

13. “You do not close a sale; you open a relationship, if you want to build a long term successful enterprise.” 3
- a. Identify the communication tool used by the marketer.
 - b. Explain any two features of this communication tool.
14. Kamal, Khan and David are partners in a firm engaged in the distribution of dairy products in Madhya Pradesh. Kamal is a holder of Senior Secondary School Certificate from Central Board of Secondary Education with Business Studies as one of his elective subjects. Khan had done his post-graduation in Hindi literature and David in Dairy Farming. One day there was a serious discussion between Khan and David regarding the nature of ‘Management as a Science’. Khan argued that Management was not a science whereas David was of the opinion that Management was a science. Kamal intervened and corrected both Khan and David about the nature of Management as a Science with the help of his knowledge of Business Studies. 4
- Explain how Kamal would have been able to satisfy both Khan and David.
15. On seeing his friend Dev making good money by investing in securities market, Dhruv has decided to try his luck by making a nominal investment from his savings in the stock market in pursuit of higher gains. 4
- As a financial consultant, apprise him of the steps involved in the working of a Demat System.
16. Anurag is a small scale manufacturer of luggage bags. Keeping in line with the government policy of universalisation of primary education, he decided to tie up with the government schools in the nearby rural areas to provide them with low cost bags. Whereas as production manager of a popular luggage brand Raghav constantly endeavours to devise new ways to add more value to his products in terms of their features like comfort, durability and designs. 4
- a. Identify the different types of marketing philosophy discussed in the above passage.
 - b. Distinguish between the different types of marketing philosophy being pursued by Anurag and Raghav.
17. Every time I travelled, people asked me to bring them chips, khakra and pickles from all over the country,” says Anoushka. Finally, she and her colleague, Sumeet, decided to make a business out of it. They launched a face book page, asked people what they wanted and they came up with a list of about 100 places and tied up with two dozen vendors to begin with. They were servicing people from Jaipur who wanted spices from Kerala, people from Panipat who wanted halwa from Jammu and people from Delhi who ordered for fresh tea leaves from Darjeeling. Through their business they wished to bridge the gap between sellers and buyers. The business is now worth millions. 4
- Explain the important activities that Anoushka and Sumeet will have to be involved in for making the

- goods available to the customers at the right place, in the right quantity and at the right time.
18. “Kanpur Leather Ltd.” is the manufacturer of leather products. It is producing on large scale and its organisational structure is functional. In the production department various foreman have been employed. Each foreman has been made responsible for production planning, implementation and control. This has lead to a situation of confusion and uncertainty. 4
- a. Suggest a technique of scientific management to Kanpur Leather Ltd. which may help it to effectively organise planning and its execution.
19. Interaction among people at work gives rise to a network of social relationships among employees. This relationship emerges when people interact beyond their officially defined rules. When people have frequent contacts they cannot be forced into a rigid formal structure. Rather based on their interaction and friendship they tend to form groups which show conformity in terms of interest. 4
- a. Name the form of organisational structure discussed in the above paragraph.
 - b. State any three features of this organisational structure.
20. Two years ago Nishant, completed his degree in Textile Engineering. He worked for sometime in a company manufacturing readymade garments. He was not happy in the company and decided to have his own readymade garments manufacturing unit. He set the objectives and the targets and formulate action plan to achieve the same. One of his objectives was to earn 80% profit on the amount invested in the first year. It was decided that raw materials like cloth, thread, buttons etc. will be purchased on two months credit. He also decided to follow the steps required for marketing the products through his own outlets. He appointed Ritesh as a production manager, who decides the exact manner in which the production activities are to be carried out. Ritesh also prepared a statement showing the requirement of workers in the factory throughout the year. Nishant informed Ritesh about his sales target for different products areawise for the forthcoming quarter. A penalty of Rs. 200 per day was announced for the workers who found smoking in the factory premises. 5
- Quoting lines from the above para identify and explain the different types of plans discussed .
21. Ashima purchased a bottle of tomato sauce from the local grocery shop. The information provided on the bottle was not clear. She fell sick on consuming it. She filed a case in the District Forum under Consumer Protection Act and got the relief. 5
- a. Identify the important aspect neglected by the marketer in the above case.
 - b. Explain briefly the functions of the identified aspect.
22. Naman and Govind after finishing their graduation under vocational stream decided to start their own travel agency which will book Rail Tickets and Air Tickets on commission basis. They also thought of providing tickets within ten minutes through the use of internet. They discussed the idea with their 5

Professor Mr. Mehta who liked the idea and suggested them to first analyse the business environment which consists of investors, competitors and other forces like social, political etc. that may affect their business directly or indirectly. He further told them about the technological improvements and shifts in consumer preferences that were taking place and hence they should be aware of the environmental trends and changes which may hinder their business performance. He emphasised on making plans keeping in mind the threat posed by the competitors, so that they can deal with the situation effectively. This alignment of business operations with the business environment will result in better performance.

- a. Identify and state the component of business environment highlighted in the above Para.
- b. State any two features of business environment as discussed by Professor Mehta with Naman and Govind.
- c. Also state two points of importance of business environment as stated by Professor Mehta in the above

23. Aman a degree holder in Entrepreneurship came to know about Piplantri Village located in Rajasthan, where in 2006 an initiative was started, in which 111 trees are planted every time a girl child is born. To keep termites away from the trees the villagers have planted 2.5 million Aloe Vera plants around the trees. This has turned the village into an oasis, as the planting of trees led to higher water levels. Aman decided to visit the village to start a business unit, for the processing and marketing of Aloe Vera into juices, gels and other products. However, on visiting the village Aman found that the villagers were suffering exploitation at the hands of local merchants who were engaged in unscrupulous, exploitative trade practices like hoarding and black marketing of food products and also selling unsafe, adulterated products to the villagers. After looking at their plight instead of a business organisation he decided to set up an organisation for the protection and promotion of the consumer interest of the villagers.

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State the functions that the organisation established by Aman will be performing. (Any six points)

24. Sakshi Ltd a well known real estate company has managed to carve a niche for itself in this sector. Recently it was revealed that the directors of the company had used price sensitive information for their own personal interest. Adequate public disclosures were also not made.

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- a. Name the organisation which can take action against the trading malpractice done by the directors of Sakshi Ltd.
- b. Name the term used for trading malpractices done by the directors of Sakshi Ltd.
- c. Explain other function performed by the above mentioned organisation.

25. After completing a diploma in Bakery and Patisserie, Payal sets up a small outlet at Goa Airport to provide a healthy food option to the travellers. To begin with, she has decided to sell five types of patties, three types of pizzas and low sugar muffins. Thus by deciding in advance what to do and how to do, she is able to reduce the risk of uncertainty and avoid overlapping and wasteful activities. But sometimes her planning does not work due to cancellation of flights.
- a. Identify and explain the points highlighting the importance of planning mentioned in the above paragraph.
 - b. Describe briefly the limitations of planning which adversely affects Payal's business.
