



INDIAN SCHOOL SOHAR
PRE BOARD EXAM 2017 - 2018
BUSINESS STUDIES [054]

Date: - 07.01.2018

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. State the role of Inspector in functional foremanship. 1
2. Identify the right of a consumer under Consumer Protection Act, 1986 which Consumer organizations help a consumer to claim by performing the function of “encouraging consumers to strongly protest and take an action against unscrupulous, exploitative and unfair trade practices of sellers”. 1
3. The size of the assets, the profitability and competitiveness are affected by one financial decision. Name and state the decision. 1
4. Bhagwati Enterprises is a company engaged in the marketing of air-conditioners of a famous brand. The company has a functional structure with the four main functions- Purchase, Sales, Finance and Staffing. As the demand for the product grew, the company decided to recruit more employees. Identify the concept which will help the Human resource Manager to find out the number and type of personnel available so that he could decide and recruit the required number of persons for each department. 1
5. Sika Ltd., a reputed industrial machines manufacturer, 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
6. What is meant by ‘Trading on Equity’? 1
7. Name and define the process in which candidates are eliminated at every stage and a few move on to the next stage till the right type of candidate is found. 1
8. Rizul Bhattacharya after leaving his job wanted to start a Private Limited Company with his son. His son was keen that the company may start manufacturing of Mobile- phones with some unique features. Rizul Bhattacharya felt that the mobile phones are prone to quick obsolescence and a heavy fixed capital investment would be required regularly in this business. Therefore he convinced his son to start a furniture business. Identify the factor affecting fixed capital 1

- requirements which made Rizul Bhattacharya to choose furniture business over mobile phones.
9. Rishitosh Mukherjee has recently joined AMV Ltd, a company manufacturing refrigerators. He found that his department was under-staffed and other departments were not cooperating with his department for smooth functioning of the organization. Therefore, he ensured that his department has the required number of employees and its cooperation with other departments is improved. 3
- A. Identify the level at which Rishitosh Mukherjee was working.
 - B. Also, state three more functions required to be performed by Rishitosh Mukherjee at this level.
10. 'The Stock Exchange performs many vital functions in today's commercial world.' Explain any three such functions. 3
11. Jaiden recently joined as the Managing Director of 'Tivori Ltd.' an apparel designing company. He observed that the company had a number of experienced fashion designers on its payroll. They regularly offered useful suggestions which were neither appreciated nor rewarded by the company. Instead the company outsourced its services to some renowned fashion designers and paid them a good compensation for their services. Because of this the employees felt disheartened and stopped giving useful suggestions. 3
- A. Identify the communication barrier discussed above.
 - B. State the category of this communication barrier.
 - C. Explain any other communication barrier of the same category
12. Pramod was a supervisor at 'Annapurna Aata' factory. The factory was producing 200 quintals of aata every day. His job was to make sure that the work goes on smoothly and there was no interruption in production. He was a good leader who would give orders only after consulting his subordinates and work out the policies with the acceptance of the group. Identify and describe the leadership style being adopted by Pramod. 3
13. What is meant by a 'consumer' as per the provisions of Consumer Protection Act, 1986? 3
14. K.S. Energy Ltd. was an energy efficiency consultancy company. To get the business, the team leader and his team used to travel to different states to give presentation to their clients. As per the policy of the company, the team leader used to travel by air whereas his team travelled by road. It was not only time consuming but also at times forced female team members to travel alone. As a result the subordinates were not acting in a desired manner to achieve organizational goals. The CEO came to know about it. He called the team leader discussed the matter with him and changed the travel policy of the company. It was decided that all the members including the leader would travel together in future and would usefully utilize the travelling time in discussion with the subordinates about the presentation to be given to the clients. This made a positive impact and every member of the team started acting in a manner as desired by the team leader. 4

State the features of the element of the function of management used by the CEO.

15. Narayana Computers Ltd. is a leading company in Computer Technology and IT Services. The Chief Executive Officer of the company attributes the success of the Company to its managerial team spirit, which have helped to handle rapid changes in technologies and to transform threats into opportunities. Like any other business enterprise profits are important for survival and growth of Narayana Computers Ltd. The management of the company believes that a satisfied employee creates a satisfied customer, who in turn creates profits that leads to satisfied shareholders. The company has a strong sense of social responsibility. It has set up many educational institutions in the field of management, engineering and computer education in which half of the students are girls. On the basis of the given information about Narayana Computers Ltd. answer the following questions: 4
- A. Identify and explain the objectives of the company discussed in the above para. Also quote the lines for the identified objectives.
 - B. Identify any two values which the company is trying to communicate to the society.
16. 'Dr.Rao Pharmaceuticals Ltd.' is engaged in the manufacturing and distribution of medicines. The company has set up an objective of increasing its sales turnover by 18%. To achieve this objective the company has decided to diversify into baby health care products. Since the company has already set its objectives and developed premises based on the same, it wants your help for the remaining steps to be taken in this process. Explain briefly these steps. 4
17. Sanket, after completing his entrepreneurship course from U.S.A. returned to India and started a coffee shop 'Fiona Coffee' in a famous mall in Mumbai. The specialty of the coffee shop was the special aroma of coffee and a wide variety of flavours to choose from. Somehow, the business was neither profitable nor popular. Sanket was keen to find out the reason. He appointed Riya, an MBA from a reputed management institute as a manager to find out the causes of the business not doing well. Riya took a feedback from the clients and found out that though they loved the special unique aroma of coffee but were not happy with the long waiting time being taken to process the order. She analysed and found out that there were many unnecessary obstructions which could be eliminated. She fixed a standard time for processing the order. She also realized that there were many flavours whose demand was not enough. So, she also decided to discontinue the sale of such flavours .As a result, within a short period Riya was able to attract the customers. Identify and explain any two techniques of scientific management used by Riya to solve the problem. 4
18. These days the development of a country is also judged by its system of transferring finance from the sector where it is in surplus to the sector where it is needed the most. To give strength to the economy, SEBI is undertaking measures to develop the capital market. In addition to this, there is another market in which unsecured and short-term debt instruments are actively traded every day. 4

These markets together help the savers and investors in directing the available funds into their most productive investment opportunity.

A. Name the function being performed by the market in the above case.

B. Name the market segment other than the capital market segment in which unsecured and short-term debt instruments are traded.

C. Also, give any three points of difference between the two.

19. Neeraj Gupta started a company 'YoYo Ltd.' with ten employees, to assemble economical computers for the Indian rural market. The company did very well, in its initial years. As the product was good and marketed well, the demand went up. To increase production the company decided to recruit additional employees. Neeraj Gupta, who was earlier taking all decisions for the company, had to selectively disperse the authority. He believed that people are competent, capable and resourceful and can assume responsibility for effective implementation of their decisions. This paid off and the company was not only able to increase its production but also expanded its product range with different features. 4

A. Identify the concept used by Neeraj Gupta through which he was able to steer his company to greater heights.

B. Also explain any three points of importance of this concept.

20. Saakshi Ltd. is a company manufacturing electronic goods. It has a share capital of ₹120 lakhs. The earning per share in the previous year was 0.5. For diversification, the company require additional capital of ₹80 lakhs. The company raised funds by issuing 10% debentures for the same. During the current year the company earned profit of ₹16 lakhs on capital employed. It paid tax @ 40%. 5

A. State whether the shareholders gained or lost in respect of earning per share on diversification. Show your calculations clearly.

B. Also state any three factors that favour the issue of debentures by the company as pan of its capital structure.

21. Explain any five points of importance of directing function of management. 5

22. Medic Instruments Ltd. is a company dealing in the distribution of medical instruments. The company recently imported 15000 units of sugar testing machines to test the sugar levels without taking blood samples. For deciding the marketing strategy, the Chief Executive Officer of the company called a meeting of the marketing heads of different zones. In the meeting, Sanjay, the North Zone Marketing Head, suggested that since the machines were sophisticated they need to visit hospitals personally to explain its working to the hospital staff wo would be using the machines. He also suggested that additional trained people may be recruited for the same. Hitesh, another Zonal Head, added that since lot of money had been spent on the import of the machines, the company was short of funds to pay the additional staff, as suggested by Sanjay. Revansh, a newly appointed Zonal Head of South Zone, suggested that since the size of the order was not 5

large, a detailed study of the factors determining the choice of channels of distribution was required before making the right choice.

A. Identify the factors influencing the choice of channels of distribution which were discussed in the meeting.

B. Also, explain briefly the other considerations to be taken care of in each factor identified in part A

23. Apaar Foundation is a Non-Governmental Organization (NGO) working to improve the lives of children with medical needs, the homeless and victims of natural disasters. Apart from donations in cash, they collect dry ration, old clothes, shoes, toys, books and medicines from donors. At Apaar Foundation's office in Bhopal the material collected is segregated, classified and put in shelves and boxes that are labelled systematically. There is a specific place for each of these items and volunteers put everything at their respective places. The volunteer work is divided into specific jobs like fund raising, field visits, and social media updates and so on. Each volunteer is part of a particular team, depending on their competency and training. Each volunteer becomes specialized in their respective field, leading to efficient utilization of human effort. 6

A. Identify and explain two principles of management adopted by Apaar Foundation.

B. State two values that Apaar Foundation is displaying and promoting in society through their work.

24. Shyam bought a pain relieving ointment after seeing it being displayed in the chemist's shop. The ointment tube was packed in a cardboard box. 6

A. Identify the different levels of packaging of the pain relieving medicine, when it was purchased by Shyam.

B. Also state the functions of packaging.

25. State any two reliefs that the Consumer court can grant to consumers in case of genuine complaints in each of the following situations: 6

A. Divya was charged more than the printed maximum retail price (MRP) for a bottle of water.

B. Clara was sold a car with a defective engine.

C. Antony suffered injury while using newly bought defective electric heater
