



INDIAN SCHOOL SOHAR
TERM 1 EXAMINATION (2018 – 2019)
BUSINESS STUDIES [054]

CLASS: XII
DATE: 27/09/2018

MAX MARKS: - 80
DURATION: - 3HRS

General Instructions: -

- 1) All questions in both the sections 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 – 75 words.
- 4) Answers to questions carrying 4 – 5 marks may be about 150 words.
- 5) Answers to questions carrying 6 marks may be about 200 words.
- 6) Attempt all parts of a question together.

1. Mr. Salman's father used to sell and buy shares on a large scale. After his death, several share certificates were recovered from his bank locker. When all the share certificates were in his possession then he faced the problem of selling them, because now all the share transactions were in electronic form instead of paper form. His friends advised him that for doing transactions in shares he would have to open an account with a depository.
Name the account, which is opened to do transaction in shares and write the name of a depository that is available in India. [1]
2. A marketer of televisions, before making the sale, does a lot of other activities such as planning the type and model of televisions to be produced, the price at which it would be sold and selecting the distribution outlets at which the same would be available.'
Based on the statement, give any one difference between 'marketing' and 'selling'. [1]
3. 'Himalaya Ltd.', is engaged in manufacturing of washing machines. The target of the organisation is to manufacture 500 washing machines a day. There is an occupational specialisation in the organisation, which promotes efficiency of employees. There is no duplication of efforts in such type of organisation structure. Identify the type of organisation structure described above. [1]
4. "Navchetna" a popular consumer organisation in Chandigarh, has filed a case against a yoghurt manufacturing company in the National Consumer Disputes Redressal Commission. The yoghurts are marketed as being clinically and scientifically proven to boost immune system and help to regulate digestion. However, on conducting laboratory tests the claims were found to be wrong.
Name any two other parties who could have also filed a complaint in the above case. [1]
5. An investor wanted to invest ₹ 20,000 in Treasury Bills for a period of 91 days. When he approached the Reserve Bank of India for this purpose, he came to know that it was not possible.
Identify the reason why the investor could not invest in the Treasury Bill. [1]

6. Meca Ltd. a reputed automobile manufacturer needs Rupees ten crores as additional capital [1]
to expand its business. Atul Jalan, the CEO of the company wanted to raise funds through equity. On the other hand, the Finance Manager, Nimi Sahdev said that the public issue might be expensive because of various mandatory and non-mandatory expenses. Therefore, it was decided to allot the securities to institutional investors. Name the method through which the company decided to raise additional capital.
7. Sunita took her niece, Aishwarya for shopping to 'Benetton' to buy her a dress on her birthday. She [1]
was delighted when on payment for the dress she got a discount voucher to get 20% off for a meal of ₹ 500 or above at a famous eating joint.
Identify the technique of sales promotion used by the company in the above situation.
8. Garima is working in a private sector bank. One of her key function relates to the formulation of the [1]
overall organisational goals and strategies of the bank. Identify the level of management at which she is working. State any other function that she has to perform at this level.
9. 'Efficient functioning of stock exchange creates a conducive climate for active and growing primary [3]
market for new issues as well as for an active and healthy secondary market.' In the light of this statement, state any three functions of a stock exchange.
10. Prakhar purchased an ISI mark electric iron from 'Bharat Electricals'. While using he found that it was [3]
not working properly. He approached the seller to complain about the same. The seller satisfies Prakhar by saying that he will ask the manufacturer to replace this iron. The manufacturer refused to replace and 'Bharat Electricals' decided to file a complaint in the Consumer Court.
Can 'Bharat Electricals' do this? Why? Also, explain who is a consumer as per Consumer Protection Act 1986.
11. The Return on Investment (ROI) of a company ranges between 10-12% for the past three years. To [3]
finance its future fixed capital needs, it has the following options for borrowing debt:
Option 'A' : Rate of interest 9%
Option 'B' : Rate of interest 13%
Which source of debt, 'Option A' or 'Option B' is better? Give reason in support of your answer. Also, state the concept being used in taking the decision.
12. Raman joins an IT firm as a system analyst after completing his masters in computer Science. As the [3]
nature of his work demands, he has to work in close coordination with all departmental heads in the firm. Very soon, Raman realises that each departmental head has his own style of working. They differ greatly in their day-to-day approach to work. They tend to deal with a given situation, an issue or a problem through a combination of their own experience, creativity, imagination, initiative and

innovation.

In the context of the above case, identify the nature of management highlighted in the above case.

13. Sindhu Ayurveda Ltd, a new and leading manufacturer of herbal and ayurvedic medicines and grocery products has captured a large share of the market in a short span of time. The Research and Development (R&D) department of the company spends considerable time and effort in developing eco-friendly, chemical free and healthy alternatives for a variety of products of daily use, like toothpaste, biscuits, noodles, soaps, shampoos etc. Their business orientation differs from competitors who are short sighted and serve only consumer's needs. Instead Sindhu Ayurveda Ltd. considers larger issues of long-term social welfare, paying attention to social, ethical and ecological aspects of marketing. [3]
- A. Identify and explain the marketing management philosophy adopted by Sindhu Ayurveda Ltd.
 - B. State any two values that are being promoted by the company.
14. After completing a course in jewellery, designing Ashish has recently opened a jewellery showroom in Gurgaon under the name "Glamor". She intends to increase her clientele by 25% during the forthcoming festival season by pushing the sales of handmade jewellery both in traditional as well as modern designs and thereby carving a niche for the business. [4]
- A. Identify the two different types of plans that Ashish proposes to implement by quoting lines from the paragraph.
 - B. Give any three differences between the two types of plans as identified in part A.
15. "Put simply, decentralization refers to delegation of authority throughout all the levels of the organization." In the light of the above statement, give the meaning of and difference between Delegation of authority and decentralization. [4]
16. State the first four steps, which are involved in the screen-based trading for buying and selling of securities in the secondary market. [4]
17. Asha works as the cost and risk management head of a company in power sector. Because of her excellent managerial competence, the company is able to reduce costs and increase productivity. The company belongs to the infrastructure sector; where in regular amendments are made in the government policies and regulations. She hold regular meetings to ensure that people in her department are not only aware of the related changes but are also able to adopt to these changes effectively. This helps the company to maintain its competitive edge. She motivates and leads her team in such a manner that individual members are able to achieve their personal goals while contributing to the overall organisational objective. In the process of fulfilling her duties for the growth of the organisation, she helps in providing competitive services, adopting new technology, [4]

creating more employment opportunities etc. for the greater good of the people at large.

In context of the above case, identify the various reasons that have made management so important by quoting lines from the paragraph.

18. Sumit purchased an ISI marked washing machine of a famous brand 'MG' from TG Electronics Ltd. The shopkeeper asked him to wait for two days for installation of the machine. His friend, Vivek, was very fond of experimenting with new electronic products. He told Sumit that there is no need to wait for the company's representative to install the machine and that he could do it. So, both of them installed the machine without following the manufacturer's instructions. Initially, the machine worked effectively and the wash was good. However, after two days, the machine started stopping in between the wash cycle. Sumit and Vivek tried their best to start the machine but failed in their efforts. Sumit, therefore, approached TG Electronics Ltd., which refused to provide any service on the plea that the company did not do installation of the machine. [4]

A. State the responsibility, which Sumit has to fulfil as an aware consumer to get the services of the company.

B. Explain briefly any two rights, which Sumit could have exercised had he fulfilled his responsibility identified in part A.

19. Briefly explain work-study techniques that help in developing standards to be followed throughout the organization. [4]

20. In today's world, through social media, news spreads in a flash. Moreover, if it is bad news, it acquires speed that is virtually impossible to stop. Hence, all corporates are more susceptible to a tarnished image today than in any other age or date. The loss of goodwill may lead to decreased revenue, loss of clients or suppliers and fall in market share. Over the years, therefore, most of the companies have set up a separate department to manage the public opinion about them. The department works in close coordination with various interest groups like consumers, government, suppliers etc. and strives to handle effectively if any controversies arises. [5]

In the context of the above case:

A. Identify the element of promotion mix being referred to in the above lines.

B. Briefly explain any four points highlighting this element of promotion mix as identified above.

21. Sudhir is working as a purchase manager in a power sector company. All his subordinates hold him in high regards for his exceptional managerial skills. On one hand, as a manger, he is a tough task manager and expects strict compliance to the organisational rules and procedures from his subordinates. On the other hand, he makes conscious efforts to develop rapport with his subordinates by interacting freely with them during lunch breaks in the cafeteria. Many a times these [5]

chitchats helps him to get an insight into the views and opinions of his team members about the policies of the organisation.

- A. Identify and explain the two types of organisations discussed above.
- B. Explain any three points of difference between the types of organisation as identified in part A of the question.

22. "Edge Ltd" is a successful education and training company in Nainital. In order to avoid dual subordination, the limits for discounts, credits period etc. are set beforehand in connotation with the finance manager so that the marketing executive can cliché a deal with a buyer on his own or in consultation with the marketing manager only. There are two separate divisions in the company namely: Education Department and Training Department. Each division has its own in charge, plans and execution resources and on no account does the working of these two divisions overlap. In the context of the above case [5]

- A. Outline the concept of principles of management.
- B. Identify the two principles of management being followed by the company.
- C. Distinguish between these principles in part B of the question.
- D. How does the knowledge of the principles of management lead to optimum utilisation of resources and effective administration?

23. Rupali intends to start an enterprise that produces chocolates. Initially, in order to assess the taste and preference of the people about the chocolates. She used social media and online surveys. Thereafter, she prepared a detailed SWOT (strength, weakness, opportunity and threat) analysis of her enterprise to devise a strategy that will give her an edge over the competitors. Based on her analysis of the market, she decided to launch sesame and jaggery-based chocolates under brand name "Desi Delight". She has decided to fix up a price of chocolates relatively at lower level in the beginning and later on as the demand picks up she may revise the prices. [6]

- A. Identify the element of marketing mix being taken into consideration by Rupali.
- B. Explain briefly the functions of marketing highlighted here.
- C. Do you think she has selected an appropriate brand name for her product? Why or why not? Give a reason for your answer.

24. Ramdas, aged 49 is working in an aviation company. He is the senior most employee in his division. He is even senior to the division manager, Kanaputti. Ramdas is considered one of the most committed, capable and hard-working employees. Because of his abilities and seniority, he generally received the work assignments of his choice. Although there was no formal designation of various special projects assigned to Ramdas, he handled them as a matter of routine. A problem developed [6]

when Kanaputti appointed an able and intelligent person Nagarjuna, aged 33. Nagarjuna's, previous three years' experience in the closely related work, made it possible for him to catch on to the routine work of his new job more rapidly than was customary for a new employee. On several occasions, Kanaputti noticed the tension developing between the two employees. However, he did not want to get involved in their personal issues as long as they completed the work effectively and efficiently. One day, the tension between them reached the boiling point and Ramdas complained to Kanaputti stating that his duties were being largely taken over by Nagarjuna. Kanaputti issued the order stating the clear allocation of the jobs and related duties between the two. He further clarified the working relationship between them by specifying who was to report to whom. This helped in reducing the workload, enhancing productivity and removing ambiguity.

- A. Identify and state the step of organizing process, which has not been carried out properly and contributed to this problem.
- B. State the two steps of the organizing process, which have been taken by Kanaputti to respond to the complaint of Ramdas.
- C. Also state two points of importance of organizing as reflected in the above case.

25. Ranbir is working as a financial manager in a dairy product company. One of his key function starts with an estimate of the sales, which are likely to happen in the next five years. Based on these, the financial statements are prepared keeping in mind the requirement of funds for investment in the fixed capital and working capital. Then the expected profit during the period are estimated so that an idea can be made of how much of the fund requirement can be made internally i.e. through retained earnings. This results in an estimation of the requirement for external funds. Further, the sources from which the external funds requirement can be met are identified and cash budgets are made incorporating these factors. [6]

- A. Identify the concept related to business finance being discussed in the above paragraph.
- B. State any five points highlighting the importance of the concept in part A of the question.

*****THE END*****