



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

CLASS: XII
DATE: 15/11/2018

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.

SECTION A

1. Simon Ltd. is manufacturer of electronics goods based in Pune. On one hand, it deals in items like books, music instrument, videotapes etc., and on the other hand, it deals in laptops and mobile phones. The company had a functional structure with separate heads for production, marketing and finance. All the functional heads were looking after the products, but at times their activities overlapped. This led to problems related to coordination and inter-departmental conflicts. To facilitate specialization Amit, the CEO of the company decided to group books, music instrument, videotapes etc. under 'Media' and laptops and mobile phones under 'consumer electronics'. While doing so Amit has performed a step in the process of one of the functions of management. Identify the step. [1]
2. Anima, who is from Bhopal doing BBA in Delhi University and she is staying in a hostel near to her college. She is allowed to contact her parents only in the evenings for 1 hour. One day when she started talking to her mother, immediately they were called by the in charge of the hostel. When she called her mother after some time, she was asked to give her notebooks to a student who joined the same course late. She was very sad that she could not talk to her family members that day. She convinced her hostel matron and got permission to call again. By that time their dinner started. All students came out of their rooms and all started talking each other. Again, she was not able to hear her mother properly. She ended the conversation by telling that she will call them the next day. What is the collective name of the hindrances that stopped her from communicating effectively to her mother? [1]
3. From the point of view of 'floatation costs' which source of finance is appropriate to a company? [1]
4. In order to achieve target production of 12000 units per month, a Production Manager has to operate double shifts. Due to power failure most of the time, the manager is able to achieve the target but at a higher production cost. In your point of view what is lacking in the management? [1]
5. A company wants to establish a new unit in which machinery of worth ₹10 lakh is involved. Identify the type of decision involved in financial management. [1]
6. Anuj bought a packet of chips from a local shopkeeper and found that the ingredients given on the label were not legible. He complained about it to the company. The company sent a written apology stating that they would make sure that existing packets were withdrawn from the market and new packets with legible labels were soon made available. State the consumer right, which Anuj exercised. [1]
7. Pramod was a supervisor at 'Annapurna Atta' factory. The factory was producing 200 quintals of [1]

atta 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 the leadership style being adopted by Pramod.

8. Tripathi Sugar Mills Ltd. hires its employees after careful selection with reference from the past employers, assigning duties as per the competence, rewards on accomplishment of goals, providing retirement benefits and takes care of all needs of its employees. Due to such reasons, the company has been recognised as the best employer in the industry. Identify the concept of management adopted by Tripathi Sugar Mills. [1]

SECTION B

9. Lakhani, an expert in the area of Financial Management, sent an e-mail to his subordinate Thomas about a new project for a client in France. However, the mail was in English, a language known to Thomas, he was not able to understand the actual meaning of many words used in the mail. He was also not a specialist in the field of Financial Management. Not only this, some portions of the mail were translated from French to English in such a manner that many mistakes crept in, causing different meaning to the message. [3]

1. Identify two specific barriers to communication in Lakhani's e-mail.
2. State any two measures, which can be taken by Lakhani to overcome the barriers, identified above to improve in future the effectiveness of his communication.

10. Neenah Sarin, the Finance Manager and Atul Chopra, the Managing Director of Chokers Ltd. were discussing regarding the source of finance to be raised for modernization of their existing plant. Quoting that 'Sensex has soared by 5078 points in the last three years, Neenah Sarin suggests that equity should be preferred while Atul Chopra wanted to opt for debt. [3]

1. Keeping in mind the high operating costs of the company, suggest the source of finance that should be used for modernization of existing plant.
2. Also, explain the two factors highlighted above which should be kept in mind for taking this decision.

11. Wipro under the Stanford University educated Chairman Mr. Azim Premji, took advantage of liberalisation and globalisation policies to promote the outsourcing trend in India. India has a well-educated English-speaking workforce, which allows Wipro and other companies to start providing services such as call centres, payroll software for foreign companies. Wipro started hiring students from highly reputed and respected Indian institutions like IIT, IIM etc. the training activities have helped in improving efficiency and performance of the employees to a great extent. Wipro, which began as a peanut oil producing company, is now in growing innovation business with sophisticated R & D capabilities in order to adapt the rapidly changing technology. Quoting the text, identify and explain any three importance of understanding the business environment [3]

12. At present, apart from the basic pay and allowances as a part of compensation, the employees and employers contribute 12% of basic wages each towards Employees Provident Fund scheme and Employees' Pension Fund scheme. A proposal to reduce the contribution by employers and employees to 10% of basic pay and dearness allowance was listed on the agenda for a recent meeting of Employees Provident Fund Organization held. The stakeholders expressed their reservations about it and they feel that it should be continued at 12%. Explain any two needs as suggested by Maslow's Need Hierarchy Theory, which will not be satisfied by the incentives discussed above [3]

13. A company manufacturing chemicals emits air pollutants, which affect the health of the employees adversely. For this purpose, the company decided to provide medical facilities for regular health check-up, which benefitted the employees a lot. It also decided to shift the factory from residential area to an industrial area. [3]
1. By quoting lines, identify and explain the objectives being attained by the company.
 2. What values the company has achieved?

SECTION C

14. Sara was pursuing her graduation. Every day she saw her mother working tirelessly at home after coming back from her work place. She decided to start a tiffin service to increase her family income. To begin with, she started supplying tiffin only in the neighbourhood. Every day she detailed out the menu after consulting her mother. For informing the people about her service she designed a beautiful informative pamphlet, got it printed and started distributing it through the daily newspapers. She also appointed two delivery boys to deliver tiffin. The business was slow to begin with but picked-up well afterwards. She was able to earn a profit of 20% of the revenue in the first month. [4]
1. Identify the promotional tool used by Sara to communicate to the customers about her tiffin service.
 2. State any three roles of the promotional tool identified above in marketing of goods and services.
15. Dewar Ltd. is a multinational consulting company with its headquarters at Washington D.C. It hires young people from different countries of the world. It is a company in which people dream to work because of its work-environment, pay and growth prospectus. The company has a culture of open communication and people of various nationalities work together in a discrimination free environment. The behaviour of managers of Dewar Ltd. emphasizes kindness and justice, which ensures loyalty and devotion of workers. It also promotes mutual trust and belongingness among team members. In this way, management of Dewar Ltd. is able to achieve its objectives by promoting teamwork. By doing, so managers of Dewar Ltd. are following some principles of management. [4]
1. Identify any two principles of management quoting lines from the passage to justify the answer.
 2. Explain the two principles identified above.
16. Aditi set-up a company 'Dante Ltd.' to manufacturer toothpastes using herbs found in her village instead of chemicals that are hazardous to health. The package of the product was eco-friendly and had details like price, quantity, ingredients, directions for use and other relevant information. It also carries the contact details like address, phone number and e-mail id of 'Dante Consumer Services and Grievance Cell'. The toothpaste became very popular and she started getting orders from reputed traders. [4]
1. Identify and explain any two Rights of Consumers discussed above.
 2. State any two values being communicated by 'Dante Ltd.' to the society.
17. 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 type of pizzas and low sugar muffins in four flavours. Thus, by dividing in advance what to do and how to do, she is able to reduce the risk of uncertainty and avoid overlapping and wasteful activities. With this nature, she is able to take apt decisions in critical situations. But sometimes her planning does not work due to some unavoidable circumstances like cancellation of [4]

flights due to bad weather conditions, government alert etc. which adversely affect her clients. In the context of above case:

1. Identify and explain any three points highlighting the importance of planning mentioned in the above paragraph.
 2. Describe briefly the limitation of planning mentioned above which adversely affects Payal's business.
18. ABC Ltd. issued prospectus for the subscription of its shares for ₹ 500 crores in 2015. The issue was oversubscribed by 20 times. The company issued shares to all the applicants on pro-rata basis. Later SEBI inspected the prospectus and found some misleading statement about the management of the company in it. SEBI imposed a penalty of ₹ 5 crores and banned its three executive directors for dealing in securities market for three years. [4]
1. Identify the function and its type performed by SEBI in the above case.
 2. What are the other functions performed by SEBI under the same category?
19. For the last few years, Companies in India are looking at Organised retailing as a good opportunity. In accordance with this view, several companies have planned to enter this environment. The Government too is fully supporting this approach. The main reason for the attraction of Companies to this approach is the increase in the income of People. Besides, there has taken place a big change in the Buying Attitude of the people for the last few years. Now People want better quality products, even if they have to pay more money for them. The Organised Retailing is competent to fulfil this desire of the people. Identify and explain any two different dimensions of business environment described in the paragraph with its components. [4]

SECTION D

20. 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. As the demand of lanterns was increasing day-by-day, the company decided to increase production to generate higher sales. For this, they decided to employ people from a nearby village, 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. [5]
1. Identify and explain the objectives of management discussed above.
 2. State any two values which the company wanted to communicate to the society.
21. What do you understand by Fixed Capital? Explain briefly about any four factors which affecting the requirement of fixed capital of an organisation. [5]
22. Davinder is a class 12th Commerce student in a reputed school in Punjab. Satinder, his elder brother, is doing his Masters in Hospital Management from Delhi after completing his Bachelors in science. During vacations when Satinder comes home, Davinder shows him the business studies project that he is preparing on the topic "Principles of Management". Satinder tells him that these principles are also a part of the MBA course curriculum at the beginner's level as they form the core of management in practise. However, he finds these principles different from those of pure science. In context of the text: [5]
1. Outline the concept of principles of management.
 2. Why does Satinder find the principles of management different from those of pure science?
 3. Why do the principles of management form the core of management in practise? Explain by giving any two points highlighting the importance of principles of management.

SECTION E

23. With rapid advancements in the field of replacing manual work with machines, a Robot named [6]

'Sujan' has been invented and developed and is likely to get the citizenship of the country of its origin. It has led to a stage where machines are being used in place of human beings. 'Sujan' is doing all types of work whether routine or hazardous and even answering the queries of people. However, this issue has to be carefully looked into keeping in mind the consumer attitude towards product innovations, problem of unemployment and its impact on the quality of life. Through the orders and decisions of various commissions and agencies at Centre, State or local level, the Indian Government is playing a very significant role in balancing the use of human and machine power.

1. By quoting the lines from the above passage, identify various dimensions of business environment discussed in the above para.
2. Explain the dimensions of business environment identified above.

24. The IT major GIPRA is terminating the employment of its senior managers, if after evaluating their performance against pre-determined standards it is found lacking. With this disruption, analysts say a large portion of the employees may become irrelevant unless they learn new skills and apply the knowledge to work on emerging technologies. GIPRA is ready to facilitate employee learning, through its in-house centres. [6]

1. Name the function of management performed by GIPRA to maintain a satisfactory work force.
2. Identify and explain the two steps in the process of the function of management discussed above.
3. Also state any two steps of the function of management discussed, that the firm had to perform before performing the above steps.

25. Atul joins as a Regional Sales Head in the export division of a FMCG (fast moving consumer goods) company. In a departmental meeting, he asks one of his subordinates, Mani to take charge of the company's new office in Dubai. He allocates the work to him and grants the necessary authority. However, within a month by seeking regular feedback on the extent of work accomplished from Mani, Atul realises that Mani is not doing the work as per his expectations. Therefore, he takes away the authority delegated to him and re-delegates the work to Prakrit. Due to the time wasted in this switch over, the work at the Dubai office suffers tremendously and the company is not able to meet its desired goals. [6]

1. Why is it important to delegate the authority? (3 points)
2. Can the authority granted to a subordinate be taken back and re-delegated to another person?
3. Can Mani be held responsible for not meeting the work related expectations of Atul? Give a suitable reason in support of your answer.

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