



INDIAN SCHOOL SOHAR
PRE BOARD EXAMINATION (2018 – 2019)
BUSINESS STUDIES [054]

CLASS: XII
DATE: 08/01/2019

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. Avik is the finance manager of Mars Ltd. In the current year, the company earned high profit. [1]
However, Avik thinks that it is better to declare smaller dividend as he is unsure about the earning potential of the company in the coming years.
Avik's choice of dividend decision is based on which of the factor that affect it.
2. Saurabh decided to start a chocolates manufacturing business. He set the target of earning 10% [1]
profit on sales in the first year. As a good businessperson, he was concerned about the future of the business, which was uncertain. He gathered information that the demand for chocolates is increasing day by day. He used this information as the base for future planning and shared it with his team. Based on the gathered information, he scheduled a meeting in the following week to find innovative ways to achieve the objectives.
List the first two steps, which have been followed by Saurabh that are related to the process of one of the functions of management.
3. Rizul Bhattacharya after leaving his job wanted to start a Private Limited Company with his son. [1]
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 requirements, which made Rizul Bhattacharya to choose furniture business over mobile phones.
4. GATA Ltd.' is a large multinational company and operates in many countries of the world. The [1]
company is in the business of Insurance, Health care, Business process outsourcing, Computer education, Security etc. What is being marketed by the company?
5. One of the objectives of management is to consistently create economic value for various [1]
constituents of the society. Give two examples of this objective of management
6. Mr.Binal is working as a supervisor in a paper manufacturing company. He is a hard working [1]
employee of the firm and works both effectively and efficiently. Since he belongs to the state of Manipur, he has always faced linguistic problems while communicating with others from other states. Identify the communication barrier faced by Binal.
7. Give the constitution of the District Consumer Disputes Redressal Forum under the Consumer [1]
Protection Act, 1986.
8. If the company has enough funds and the management wants to have greater control on the [1]

channel members, which channel of distribution should the company adopt? Give reason in support of your answer.

SECTION B

9. Variety Ltd. is a readymade garment manufacturing company, which is planning to diversify into manufacturing of other related products like footwear, cosmetics, etc. Being a management expert suggest the most suitable organization structural design for the company. Also state any four advantage which the firm will derive from your suggestion. [3]
10. Namita and Aslam completed their MBA and started working in a multi-national company at the same level. Both are working hard and are happy with their employer. Aslam had the habit of backbiting and wrong reporting about his colleagues to impress his boss. All the employees in the organisation knew about it. At the time of performance appraisal, the performance of Namita was judged better than Aslam. Even then, their boss, Salim Khan decided to promote Aslam stating that being a female Namita will not be able to handle the complications of a higher post. [3]
- A. Identify and explain the principle of management, which was not followed by this multi-national company.
- B. Identify the values, which are being ignored quoting the lines from the above para.
11. Vishesh works as an interior decorator. He gets a contract to redesign a play school. He employs three painters on the site assuming that an average painter will be able to paint ten desks in a day. At the end of the first day of their work, Vishesh finds that painter A, Painter B and painter C have painted 12, 14 and 15 desks respectively. On comparing the actual performance with planned performance, he realised that the standard set by him is too low. Consequently, he decides to review and revise the standard and raise it. [3]
- With reference to the above paragraph, explain the statement "Planning and controlling are both backward looking as well as forward looking functions."
12. Satnam Ltd. are the manufactures of 'Gents Designer Suits' with their own trademark. During the year, 2013-14 the company employed 30 senior technicians to work on machines imported from America for manufacturing 'Gents Designer Suits'. The technicians were employed on probation of one year. They were put on their respective jobs after one month's on the job training. Because of the faulty selection process, the technicians could not perform well. Ten of them left the job on their own and 12 had to be removed by the company during the probation period. Now the company is in the process of selecting new technicians. [3]
- Advice the company about any three types of selection tests, describing each in about 20 words that may be used for selecting the desired technicians.
13. Neha was a regional sales manager in 'Good Look Garments Ltd' for ten years. On the retirement of the marketing manager, Neha applied for the same post, as she was extremely ambitious and had dedicated all her energies to obtain the post of marketing manager. However, the top management of the company decided to fill this post by selecting a better person from outside the company. Because of this Neha was heart-broken and her performance declined. When the new marketing manager joined, one of her major problems was how to motivate and inspire Neha to her former level of performance? [3]
- Suggest any three non-financial incentives that the new marketing manager may use to motivate Neha.

SECTION C

14. What does 'New Issue Market' mean? Explain the various methods of flotation of new securities issues in this market. [4]
15. In 2015, Naveen left his luxurious life in Mumbai, where he worked as a manager for Bluebirds Ltd. He shifted to Begampur, Chhattisgarh to fulfil his grandmother's dream of converting their 25-acre ancestral land into a fertile farm. For this, he set out specific goals along with the activities to be performed to achieve the goals. Every activity was a challenge since he was clueless about farming. He learnt every activity from filling the land to sowing the seeds. To aid farmers he launched his own company 'Innovative Agriculture Solutions Pvt. Ltd.' It was difficult initially as no one trusted an urban youth telling farmers about farming. However, when everything was discussed in detail the farmers started taking interest. He wanted to ensure that the future events meet effectively the best interests of the company. Through sales forecasting, he prepared an annual plan for production and sales. He also found that the farmers grew only paddy, which was an activity of 3-4 months and the land remained idle for the rest 8-9 months of the year. He not only identified but also evaluated various alternatives through which the farms could be utilized for the remaining months of the year. Through correct foresight and logical and systematic thinking based on analysis of all facts, all alternatives were examined and evaluated. He presented a plan to the farmers, where after harvesting paddy, vegetables could be grown. The above case highlights the features of one of the functions of management. By quoting lines from the above identify and explain these features. [4]
16. Pratik is working in a multinational company in Noida. He was running temperature for the last many days. When his blood was tested, he was found positive for malaria. He was admitted in the hospital and the doctors advised a blood transfusion as his condition was very serious. One of his colleagues sent a text message to his superior 'Mr. B. Chatterjee'. Mr. B. Chatterjee immediately sent a text message to the employees of the organization requesting them to donate blood for Pratik. When the General Manager came to know about it, he ordered for fumigation in the company premises and for cleaning the surroundings. [4]
- A. From the above para quote lines that indicate formal and informal communication
 - B. State any two features of informal communication
 - C. Identify any two values that are being communicated to the society in the above case.
17. Ashika 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. [4]
- A. Identify the important aspect neglected by the marketer in the above case.
 - B. Explain briefly the functions of the aspect identified above.
18. What does financial planning mean? State its objectives. [4]
19. Surabhi is a student of 10+2 (commerce) Class. She listened attentively and understood the lecture on Consumer Protection Act delivered by the teacher. Her teacher remarked that currently consumers enjoy several rights. In case, goods purchased by him/her causes harm to his/her health and property, there is a provision for compensating him/her. Besides, this Act also has some expectations from the consumers that during the course of his/her purchase he/she should keep certain things in mind. Briefly, provisions of the Act can protect the consumer only when he/she has complied with certain fundamental things. The next day of this lesson, Surabhi purchased a Heater from Bharati Appliances. She made cash payment. However, fails to get Cash Memo. While making use of the heater she observed that it was not working properly. She contacted the shopkeeper immediately and told him her problem. Shopkeeper paid no heed to [4]

her complaint. Rather he remarked that the good in question was not bought from his shop.

- A. Identify and explain the right and responsibility of the consumer as referred to in the above paragraph.
- B. In addition to the right and responsibility of the consumer identified above, write one more right and responsibility.
- C. Can Surabhi lodge a complaint against the shopkeeper?

SECTION D

20. Explain any five points of importance of the controlling function of management. [5]
21. State any five points of impact of liberalization on business and industry. [5]
22. Vineet joined a company after completing graduation in management from a reputed business school. During his Induction Training, he was informed that he would be working in production department. The company wanted to achieve 30% increase in output in the next quarter. His general manager, a man with decades of experience, also said that management is a complex activity. He expected Vineet to make production plans, identify incentive schemes for workers to make their strengths effective and ensure that there is no disruption due to technical glitch. Vineet realised very quickly that his job is a series of continuous tasks. After one month, the general manager informed him that due to increase in international demand, production targets have been raised. He called an urgent meeting of his supervisors and senior workers. He offered them an opportunity to realize their potential and earn more by working overtime and in multiple shifts. He was delighted that at the end of the quarter, he was able to meet the targets, workers were happy and there was no chaos. Identify and explain any five characteristics of management referred in above case. [5]

SECTION E

23. Karan Nath took over 'D'north Motor Company' from his ailing father three months ago. In the past, the company was not performing well. Karan was determined to improve the company's performance. He observed that the methods of production as well as selection of employees in the company were not scientific. He believed that there was only one best method to maximize efficiency. He also felt that once the method is developed, the workers of the company should be trained to learn that 'best method'. He asked the Production Manager to develop the best method and carry out the necessary training. The Production Manager developed this method using several parameters right from deciding the sequence of operations, place for men, machines and raw materials till the delivery of the product to the customers. This method was implemented throughout the organization. It helped in increasing the output, improving the quality and reducing the cost and wastage. Identify and explain the principles and the technique of scientific management followed by the Production Manager in the above case. [6]
24. 'Mega Industries Ltd.' approached a well-established university in the city of Madurai to recruit qualified personnel for various technical and professional jobs. They selected Tanya, Rita, Garima and Chetak for various vacancies in the organization. After the selection and placement, 'Mega Industries Ltd.' felt the need to increase the skills and abilities, and the development of the positive attitude of the employees to perform their specific jobs better. The company also realized the learning new skills would improve the job performance of the employees. Hence, the company decided to take the actions for the same. [6]
 - A. Name the step of the staffing process regarding which the company decided to take

action.

B. State the benefits of the action to 'Mega Industries Ltd.'

25. On 8th November 2016, the Government of India announced the demonetisation making all the ₹ [6]
500 and ₹ 1000 bank notes of Mahatma Gandhi Series invalid past midnight. The government
claimed that the action would curtail the use of illicit and counterfeit notes to fund illegal
activities and terrorism. The BSE SENSEX and NIFTY stock indices fell over 6% after the day of
announcement. The decision was heavily criticised by members of the opposition parties, leading
to debate in both the houses of parliament and triggering organised protest against the
government in several places across India. People seeking to exchange their bank notes had to
stand in lengthy queue and several deaths were linked to the inconvenience caused due to the
rush to exchange cash. After demonetisation, the demand for the point of sale or card swipe
machines has increased. E-payment options like PayTM has also seen a rise.

In the context of the above case

- A. Identify and explain the various dimensions of business environment, which relates to the
above-mentioned case.
- B. List any two values that the government seeks to promote through demonetisation.

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