



INDIAN SCHOOL SOHAR
TERM I EXAMINATION (2019-20)
BUSINESS STUDIES

Date: 11.11.2019

Class: XII

Max Marks:80

Duration: 3 hours

Instructions:

1. Answers to questions carrying 1 mark may be from one word to one sentence
2. Answers to questions carrying 3 marks may be from 50 to 75 words
3. Answers to questions carrying 4 marks may be about 150 words
4. Answers to questions carrying 6 marks may be about 200 words
5. Attempt all parts of a question together.

SECTION-A

1. _____ is the process of designing and maintaining an environment in which an individual working together in groups efficiently accomplish desired goals. 1
2. Higher working capital usually results in _____
 (a) Higher current ratio, higher risk and higher profits.
 (b) Lower current ratio, higher risk and profits.
 (c) Higher equity, lower risk and lower profits
 (d) Lower equity, lower risk and higher profits. 1
3. A comprehensive plan for accomplishing an organisation's objective is known as
 (a) Policy
 (b) Objective
 (c) Method
 (d) Strategy 1
4. A truck manufacturing company has its registered office in Chennai, manufacturing unit in Bangalore, marketing division at Mumbai. The company manufactures different types of trucks. Suggest a suitable organizational structure for this company. 1
5. Sunitha took her niece, Aishwarya for shopping to "Benetton" to buy her a dress on the occasion of her birthday. She 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. 1
6. SEBI recently called for information and issued a show cause notice to NSE and its 14 officials seeking explanation on the Preferential Access allegations at the Exchange's Co-location facility. State the function that SEBI performed by doing so. 1
7. Primary market involves purchase and sales of existing securities. (True/False) 1
8. Caveat Venditor implies:
 (a) Let the buyer beware
 (b) Consumer is king
 (c) Let the seller is beware
 (d) Seller is king 1
9. Which of the following statement is incorrect?
 (a) Marketing and selling are two different terms
 (b) Marketing is a social process
 (c) A consumer purchases a product only if it is perceived to give greater benefit or value for money.
 (d) Marketing activities start with the development of a product. 1

10. Higher debt equity ratio results in
 (a) Lower financial risk
 (b) Higher degree of operating risk
 (c) Higher degree of financial risk
 (d) Higher Earning per share **1**
11. _____ is the formal lines of authority and communication that runs from top to bottom level of management. **1**
12. What is work load analysis? **1**
13. Give any two impacts of demonetization. **1**
14. _____ refers to complete the job in the cost effective manner. **1**
15. Name the test used as a measure of individual's potential for learning new skill. **1**
16. Give the name of two Indian depositories. **1**
17. As a part of its comprehensive plan Bata Limited decide to combine a new line of activity with its existing footwear business. Identify the type of plan. **1**
18. Globalisation means:
 (a) Removal of unnecessary government control and restrictions from business and industries
 (b) Reduce the role of public sector
 (C) Integration of various economies of the world
 (d) Reduction in tax rate by the government. **1**
19. Name the concept which implies being answerable for the final outcome. **1**
20. Name the method of training in which the trainee works directly with a senior manager and the manager takes full responsibility of the trainee. **1**

SECTION-B

21. The government of India has recently come up with an amendment to section 6 of the Payment of wages act 1936, to allow employers of certain industries to make payment through various electronics modes of payments. The amendment will be applicable to all the public sector undertakings for wages disbursement using e-payment options. This is another milestone in the direction to further push to cashless economy. Identify and explain any two dimensions of business environment which relate to the above mentioned case. **3**
22. Distinguish between formal and informal organization on the basis of (i)origin (ii)authority and (iii) flow of communication. **3**
23. Neeraj is working as a supervisor in a company. Due to his hard work he is promoted to the post of production manager. Now the post of supervisor is vacant and no one can be transferred or promoted to the post .Name the source of recruitment the company will use to fill up this post. What benefits the organization will get? Give reasons. **3**

24. Discuss the first three steps of screen based trading for buying and selling of securities. **3**
25. A company was marketing 'water purifier' which were very popular due to their quality and after sales services provided to the customers. The company was a leading company in the market and earning huge profits. Because of huge profits the company ignored the after sales services. As a result of its relations with the customers got spoiled and the image of the company was damaged in the public. Top management became concerned when the profits for the current quarter fell steeply. On analysis it was revealed that ignoring the after sales services was its reason. Therefore, the company took all possible measures to protect and promote its favourable image in the eyes of the public. As a result, the goodwill of the company improved in the society.
- (a) Name and state the communication tool used by the marketer in the above case to improve its image
- (b) Also explain role of the tool as identified in part (a) **3**

SECTION-C

26. Explain any four functions of consumer organizations and non-government organizations for protecting and promoting the interest of consumers. **4**
27. Harsh is desirous of setting up a small factory to manufacture different kinds of eco-friendly packaging materials. He proposes to adopt a logical approach to his business rather than hit and trial method as he knows that this can result in tremendous saving of human energy as well as wastage of time and materials. He plans to adopt paternalistic style of management in practice in order to avoid any kind of class conflict that may emerge between him and the workers. Moreover, he plans to seek the opinion of his workers before taking any important decisions and also offers incentives to them for providing valuable suggestions for the business
- In context of the above case
- (a) Identify and explain the various principles of scientific management that Harsh plans to apply in his business.
- (b) List any two values that he wants to communicate to the society. **4**
28. Mega limited holds an annual management program every year in the month of March in which the top managerial personnel formulate plans for the next year by analyzing and predicting the future to meet future events effectively.
- As they are responsible for providing direction to the organization, facts are thoroughly checked using scientific calculations. Detailed plans are prepared after discussion with professional experts. Preliminary investigations are also undertaken to find out the viability of the plan. Since it is an intellectual activity requiring intelligent imagination and sound judgement so it is mainly done by the top management. Usually rest of the members just implement the plans. Middle level managers are neither allowed to deviate from the plans nor are they permitted to act on their own. The top management ensures that the expenses incurred in formulating the plans justify the benefits derived from them. State any two limitations and any two features of planning discussed above. **4**

SECTION-D

29. G limited is a large and credit worthy company manufacturing steel for the Indian market. It now wants to cater to the Asian market and decides to invest in new hi-tech machines. Since the investment is large, it requires long term finance. It decides to raise funds by issuing equity shares. The issue of equity shares involves huge flotation cost. To meet the expenses of floating cost, the company decides to tap the money market.

- (a) Name and explain the money market instrument the company can use for the above purpose.
(b) What is the duration for which the company can get funds through this instrument?
(c) Explain the other money market instruments available in the market. **5**

30. Restro is a multinational corporation that creates consumer electronics, personal computers, servers and computer software. The company also has a chain of retail stores known as Restro stores. Despite high competition, Restro has succeeded in creating demand for its products, giving the company power over prices through product differentiation, innovative advertising and ensured brand loyalty. In the context of above case
(a) what is product differentiation?
(b) Name any function of marketing that facilitates product differentiation.
(c) Identify the component of promotion mix being used by the company by quoting lines from the paragraph.
(d) Describe briefly the pricing objective pursued by the company? **5**

31. Harsh limited is manufacturing of toys for the rural market with 20 employees. The company did well initial years. As the product was good and marketed well, the demand of its products went up. To increase the production, the company decided to recruit additional employees. Harsh who was earlier taking all decisions for the company had to selectively disperse the authority. He believed that subordinates 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.
(a) Identify the concept used by Harsh through which he was able to steer his company to greater heights.
(b) Also explain any four points of the importance of this concept. **5**

SECTION-E

32. Vikas has completed his C.A by clearing a specified examination by the ICAI. Nobody can become a Chartered accountant without this step. He is working as finance manager in K Limited which is involved in manufacturing of tiles. There are other chartered accountants, too, in the company but Vikas has the reputation of creative application of existing theoretical knowledge which he has gained during his education. He integrates the activities of finance department with production and sales department due to which performance of the company is getting better day-by-day.
(a) Mention the characteristic of profession discussed above.
(b) At which level of management Vikas is working in the company?
(c) Which nature of management is mentioned above?
(d) Name the concept of management which Vikas is performing by integrating the activities of his department with other departments.
(e) Give any two importance of the concept identified in question (d). **6**

33. Tata international limited earned a net profit of 50 Crores. Ankit the finance manager of Tata international limited wanted to decide how to appropriate these profits. Identify the decision that Ankit will have to take and also discuss any five factors which help him in taking this decision. **6**

34. What is meant by selection? Explain any five steps involved in the process of selection of employee. **6**