



INDIAN SCHOOL SOHAR
PREBOARD EXAMINATION (2019-20)
BUSINESS STUDIES

Date: 07.01.2020

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. R limited does not have any debts in its capital structure but Sonal limited has debts in the form of 12% debentures. Both the companies are earning a return of 20% as return on investment. Which company will enjoy trading on equity? Give reasons. **1**
2. What is depository? **1**
3. Funds raised through commercial paper for meeting the flotation cost is _____ **1**
4. The step of planning process to see whether plans are being implemented and activities are being performed according to schedule or not is:
 - (a) Follow up action
 - (b) Analysing deviations
 - (c) Comparing actual and standard performance
 - (d) Management by exception **1**
5. Shilpa started a textile mill to fulfill the customer's demands and focuses on enriching their quality life. The marketing philosophy followed by Shilpa is:
 - (a) Social marketing concept
 - (b) Production concept
 - (c) Selling concept
 - (d) Product concept. **1**
6. Give the meaning of the term deviation. **1**
7. Which of the following functional foreman is responsible for keeping machine and tools ready for work?
 - (i) Repair boss
 - (ii) Gang boss
 - (iii) Inspector
 - (iv) Route boss **1**
8. Treasury bills are issued by _____. **1**
9. Planning focuses on
 - (a) Achieving objectives.
 - (b) Achieving fund
 - (c) Achieving sales
 - (d) Achieving market share. **1**
10. Demand for reservation in job for minorities is an example of:
 - (a) Legal environment.
 - (b) Socio-cultural environment.
 - (c) Political environment
 - (d) Economic environment. **1**

11. Which is not the method of direct distribution:
 - (a) Mail order business
 - (b) Telemarketing
 - (c) Door to door selling
 - (d) Selling agent

1
12. Which is not the advantage of divisional structure?
 - (a) Flexibility
 - (b) Effective control
 - (c) Accountability
 - (d) Expansion and growth

1
13. Name the technique of scientific management which is the strongest motivator for a worker to reach standard performance.

1
14. Principles of management do not help in taking:
 - (a) Timely decisions
 - (b) Realistic decisions
 - (c) Thoughtful decisions
 - (d) None of these.

1
15. Under Consumer Protection Act a consumer has _____ rights.

1
16. What is mental revolution?

1
17. An employee should get the orders from only one supervisor according to:
 - (a) Unity or direction
 - (b) Order
 - (c) Unity of command
 - (d) Initiative

1
18. What is the disadvantage of demonetization?

1
19. A general guideline for thinking and decision making is called _____.

1
20. Distinguish between advertising and sales promotion on the basis of scope.

1

SECTION-B

21. Explain the following terms: (a) Management by exception (b) Critical Point Control (c) Break-even point

3
22. Distinguish between delegation and decentralization authority on the basis of (a) Scope (b) Freedom of action (c) Status.

3
23. Is management a full-fledged profession? Give any three reasons in support of your answer.

(OR)

State any three functions of the top level management.

3
24. Modern furniture Limited allotted work to different teams of workers. Teams were responsible for cutting of wood, polishing of wood, designing the furniture, assembling of parts respectively. All the workers had mutual trust among each and worked together in harmony. They kept their tools and implements in tool boxes. They followed certain rules while working like no smoking while working, no leave without permissions and no use of cell phones during working hours. They were paid fair wages for their work which was within the paying capacity of the company. Identify any three principles of management being followed in this organization and state their advantage.

3

25. Meena purchased one kg of A-1 Pure butter from a shop keeper. After using it, she had a doubt that it is adulterated. She sent it for a laboratory test which confirmed that the butter is adulterated. State any six reliefs available to Meena, if she complains and the consumer court is satisfied about the genuineness of the complaint. **3**

SECTION-C

26. Madhur started a catering business in Ludhiana. However, despite his utmost sincerity towards the work his business has not been able to make a place for itself in the market. The clients never seem to be satisfied with his services. One of the prime reasons for this is the fact that he is not able to instruct his staff clearly as to what they should do. Moreover, he fails to provide effective guidance and inspiration to them to ensure that his instructions are implemented in proper perspective. As a result, his business is running into major losses and he now plans to shut down his business.

In context of the above case

(a) Name the managerial function which Madhur is unable to perform and is leading to the closure of his business.

(b) Briefly explain the four categories into which the main activities related to the function as identified in part (a) may broadly be grouped. **4**

27. Identify and explain the related feature of business environment for each of the following cases:
- (a) Over the years Teleface limited had been enjoying good market share in telecom sector but with the entry of alliance tech limited a new competition in the market the competition in the telecom segment has intensified and is likely to squeeze the market of Teleface limited.
 - (b) The MC AlooTikki burger is not available anywhere else but in the Indian outlets of MCDonalds.
 - (c) Suhana is a student from NIFT and has been running a shopping arcade near Delhi for the past 5 years. She offers high end apparels with a designer tag for every occasion for both men and women. She shares that many times people in fashion industry have to suffer major losses due to constant changes in fashion. **4**

28. What is dematerialization? What are advantages of screen based trading?

(OR)

Explain the importance of financial planning. **4**

SECTION-D

29. Raja has been running a successful business of manufacturing traditional wedding wear for women including sarees and lehengas. His friend Sudha who is engaged in the business of providing web designing solutions to his clients, suggests him to explore the option of selling his products online. Raja agrees to his suggestion and decides to venture into online business, keeping in view the various e commerce regulations in order to avoid imposition of any penalty. In order to facilitate the sale of his products, Raja decides to offer multiple payment options such as cash on delivery, credit or debit card transactions, net banking to the buyers etc.

In context of the above case:

(a) Identify the two different types of plans mentioned in the above paragraph that relate to the online portal that Raja intends to stand by quoting lines from the paragraph.

(b) Distinguish between the two types of plans as identified in part (a) any 3 points. **5**

30. Malaysian Budget Airline group Sky Europe announced discounted fares, starting as low as Rs.1099 for domestic destinations operated by its Indian joint venture carrier and Rs.2099 for international flights operated by other group airlines under a limited period offer.

- (a) Identify the medium of communication which can be used by the firm to inform a large number of people about the new fares.
- (b) Also state any two merits of the communication tool, apart from the one discussed above.
- (c) State any two demerits of the communication tool identified. **5**

31. Mr. Bose is the owner of Big Boss enterprises carrying on the business of manufacturing various kinds of biscuits. There was a lot of discontentment in the organization and the targets were not being met. He asked his son, Naval, who had recently completed his MBA to find out the reason. Naval found that all the decision making of the enterprise were in the hands of the father. His father did not believe in his employees as a result, both the employer and the employees were not able to understand each other messages in the same sense. Thus, the employees were not happy and targets were not met.
- (a) Identify any two communication barriers because of which Big Boss enterprises was not able to achieve its targets.
- (b) State one more barrier each of the type identified in (a) above. **5**

SECTION-E

32. A company was in need of two supervisors. It gave an advertisement in the newspaper to invite the applications for the required posts. It received 130 applications. To finalize the best candidate, it followed a series of steps. To begin with they rejected the forms of those candidates who did not fall in their basic criteria. The managers of the company also updated themselves about the changes in the labour laws of the country.
- (a) Which source of recruitment they followed to choose the best candidates? State any two advantages of the selected source.
- (b) Discuss the other steps they need to follow to choose the best candidate.

(OR)

- (a) Distinguish between training and development (3 points)
- (b) Discuss the functions of human resource manager. (3 points) **6**
33. Deepak is doing a diploma course in marketing management. In the last class, his teacher had discussed about a large number of factors affecting marketing decision, which can be broadly be divided into two categories
- (i) Controllable factors and (ii) non-controllable factors.
- Based on this discussion each student has been asked to prepare a startup business plan highlighting those controllable factors which can be influenced at the level of the firm to achieve marketing success. Deepak has decided to prepare a business plan for the launch of organic bakery products. Describe briefly the various controllable factors that Deepak will consider while preparing his startup business plan. **6**
34. The directors of a company want to modernize its plant and machinery by making a new issue of shares. They wish to approach the stock exchange, while the finance manager prefers to approach a consultant for the new public issue of shares. Advise the directors whether to approach the stock exchange or a consultant for new public issue of shares and why? Also advise about the different methods which the company may adopt for new issue of shares. **6**