



INDIAN SCHOOL SOHAR
PRE BOARD 2 EXAMINATION (2023 – 2024)
BUSINESS STUDIES (054) (SET 1)

CLASS: - XII
DATE : 20/01/2024

MAX MARKS: - 80
Time: 3HRS

General Instructions:

Read the following instructions very carefully and strictly follow them:

1. There are 34 questions in the question paper. All questions are compulsory.
2. Answers should be brief and to the point. Attempt all parts of the questions together.
3. Question nos. 1 to 20 are objective type questions, carrying 1 mark each.
4. Question nos. 21 to 24 are short-answer type I questions, carrying 3 marks each.
5. Question nos. 25 to 30 are short-answer type II questions, carrying 4 marks each.
6. Question nos. 31 to 34 are long-answer type questions, carrying 6 marks each.
7. There is no overall choice in the question paper. However, an internal choice has been provided in one question of one mark, one question of three marks, one question of four marks, and one question of six marks. Only one of the choices in such questions must be attempted

SECTION A

1. Safe Life Technologies private limited is a renowned pharmaceutical company in India. It has launched a new medicine to treat high blood pressure. To create awareness about the new medicine and to build a positive image about it, the company organized a seminar, which was attended by doctors from various hospitals and dealers in medicines. During the seminar, the representatives of the company discuss the chemical composition and the functioning of medicine. identify the tool of promotion used by Safe Life Technologies Private Ltd. in the above case. [1]

A. Advertising	B. Public Relations
C. Sales Promotion	D. Personal Selling
2. 'SORT-IT Ltd.' is a leading software development company. The company is satisfying the diverse needs of its employees. Its employees are given competitive salaries and benefits. They have been given a chance for their personal growth and development. For harmony in organization management must reconcile personal goals with organizational objective. SORT-IT Ltd. Identify the objective of management being met by "SORT-IT Ltd." [1]

A. Organizational objectives	B. Social objectives
C. Personal objectives	D. None of these
3. The Economic Survey, 2019 suggests that psychological biases can be used in the realm of tax compliance. It is in favor of using religious norms such "dying in debt is a sin" to improve tax [1]

C. Production, Planning

D. Implementation, Production

8. Which of the following is not a function of middle level management? [1]
- A. Analysing the business environment and its implications for the survival of the firm.
 - B. Interpreting the policies framed by top management.
 - C. Ensuring that their department has the necessary personnel.
 - D. Motivating people in their department to achieve desired objective



The above picture shows the absence of a concept which is causing a delay in decision making. Identify.

- A. organising
- B. span of management
- C. delegation
- D. Accountability

10. Match the items given under Column – (I) with the suitable statements under Column – (II). [1]

Column – (I)	Column – (II)
a) Capital Structure	I. It is concerned with optimal procurement and the usage of finance.
b) Financial Management	II. It refers to the mix between owners and borrowed funds.
c) Working Capital Decisions	III. The proportion of debt in the overall capital
d) Financial Leverage	IV. Short term investment decisions

- A. a) – ii, b) – i, c) – iv, d) - iii
- B. a) – i, b) – ii, c) – iii, d) - iv
- C. a) – iii, b) –i, c) – ii, d) - iv
- D. a) – i, b) – ii, c) – iv, d) - iii

11. Resident Welfare Association (RWA) of Noida, Sector 15 decided to organize Diwali mela on the eve of Diwali. They listed all the activities to be done, grouped them as per their nature and assigned the activities/duties to different people of their association. After completion of the mela they found that it was not a success. While analyzing the reasons the President of RWA found that mere allocation of work was not enough in the organisation. He found that a crucial step in the organizing process was missing. Identify the step from the following: [1]

- A. Assignment of duties
- B. Establishing authority and reporting relationships

- C. Identification and division of work D. Departmentalization.
12. Management principles help in thoughtful decision making. They emphasis logic rather than blind faith. [1]
This statement describes the following point of significance of Principles of Management:
- A. Fulfilling social responsibility B. Scientific decisions
C. Meeting changing environment requirements D. Optimum utilization of resources and effective administration.
13. From the following two statements, choose the correct option: [1]
Statement I: If the demand for a product is inelastic, the firm can fix higher prices.
statement II: In case the degree of competition is high, the firm is in position to set high prices.
- A. Statement I is correct, and statement II is wrong B. Statement II is correct and statement I is wrong
C. Both the statements are correct. D. Both the statements are wrong

OR

From the following two statements, choose the correct option:

Statement-I Transportation helps in creating time utility and warehousing helps in creating place utility.

Statement-II The process of classification of products into separate groups based on their important characteristics is known as standardization.

- A. Statement I is correct, and statement II is wrong B. Statement II is correct and statement I is wrong
C. Both the statements are correct. D. Both the statements are wrong
14. From the following, identify the statement which is correct about capital budgeting decision: [1]
- A. These decisions are reversible.
B. These decisions include committing enormous amounts of finance on a long-term basis, therefore need to be taken with utmost care.
C. These decisions do not affect the earning capacity of the business eventually.
D. Size of assets, profitability and competitiveness are not affected by capital budgeting decisions.

Read the following text and answer the questions 15 and 16 based on the same:

Mr. Sunil Diali is a safety officer in a reputable PSU sector ECL. He supervises the workers towards the predetermined goals of the organisation and directs how to eradicate unsafe practices of inundation, fire breakouts, and the existence of inflammable gases. On one such instances there was huge fire breakout in the underground mines and the workers morale was down and demotivated because of several risk hazards. Mr. Diali observed the whole situation and consulted with all his workers and constantly monitored, guided, and inspired them to integrate their efforts and accept the situation as a challenge and take adequate safety measures for fire extinguish and subsidizing its effects. Thereby,

production turnover was outstanding and outperformed other subsidiaries. Mr. Diali was recognized with Bravery Award from CIL

15. Under which form of non-financial incentive can we categorize bravery awards? [1]
- A. Status
B. Job security
C. Employee recognition
D. Career Advancement
16. Under Maslow's need hierarchy theory which need of Mr. Diali has been met through respect and recognition among other employees? [1]
- A. Self – Actualization needs
B. Safety and security needs
C. Esteem needs
D. Physiological needs.
17. Roma Ltd. identified the needs of the customers for marketing their products. This was important for making an analysis of the available opportunities, threats, weaknesses, and strengths of the organisation and helping to decide what opportunities can best be pursued by it. By doing so, which of the following functions of marketing is being performed by Roma Ltd.? [1]
- A. Standardization and grading
B. Product designing and development
C. Marketing planning
D. Gathering and analyzing market information
18. The delight Ice Creams Ltd. decision-making authority is concentrated at the top level and no authority has been delegated among the subordinates. On the other hand, in "Tasty Ice Creams Ltd," a big organization as compared to Delight Ice cream Ltd, decision-making authority is always delegated among more than one person. Identify the principle of management discussed above. [1]
- A. Stability of personnel
B. Centralization and Decentralization
C. Authority and Responsibility
D. Scalar Chain

OR

Sangeeta visited Smile Dental Clinic for treatment of toothache. She observed that the receptionist was seated at the reception desk, the place fixed for her. Dental instruments were laid neatly in dental instrument trays and the used instruments were placed in the sterilization area. There was a fixed place for everything, and it was present there. There was no hindrance in the work of the dentist, and she was working with her maximum efficiency. The principle of management followed at Smile Dental Clinic was:

- A. Order
B. Discipline
C. Initiative
D. Equity
19. Which of the following statements is incorrect about sales promotion? [1]
- A. It includes short-term incentives which are designed to encourage the buyers to make immediate

purchase of a product or service.

- B. It includes all promotional efforts other than advertising, personal selling, and public relations.
- C. It includes only those activities that are used to provide long-term incentives to boost the sales of a firm.
- D. It includes the activities which are undertaken to supplement other promotional efforts such as advertising and personal selling.

20. The method of training in which actual work environment is created in a classroom and employees use the same materials, files and equipment that are required to be used by them in their day-to-day working is: [1]

- A. Vestibule Training
- B. Internship Training
- C. Induction Training
- D. Apprenticeship Training

SECTION B

21. Each employee of 'Bhoomika Ltd.' should manufacture 10 tables per day as per the terms of employment. All the employees met the said target except a few who manufactured between 4 – 6 tables per day. The management took a decision to install Closed Circuit Television (CCTV's) in the factory to monitor the activities of the employees. [3]

- A. Identify the managerial function discussed above.
- B. Explain two steps in the process of the function identified above.

22. Ankur is working as a production manager in an organisation. His subordinate, Saurabh, discussed with him a method of production which will reduce the cost of production. But due to some domestic problems and Ankur's mind being pre-occupied, he is not able to understand the message. Saurabh was disappointed by this. [3]

- A. Identify the factor which acts as communication barrier.
- B. Explain two other factors of the same group of communication barriers

23. "Grahak Shakti," an N.G.O. organized a workshop to discuss various issues relating to consumers. During the discussion, one of the members drew attention towards exploitation of consumers due to defective and unsafe products, adulteration, black marketing, hoarding etc. To this another member argued that consumers themselves are responsible as they do not raise collective voice against the exploitation. The Chairperson of the organization believed it was also the duty of the businessperson to take care of the interests of various stakeholders. Business organizations earn money by selling goods and services to consumers. So, the interests of the stakeholders must be well taken care of. [3]

State three points that highlight the need for consumer protection as discussed in "Grahak Shakti's

workshop.

24. Josh Enterprises has decided to have a meeting of all the key employees of different departments in the organisation. The main motive is to tell the employees to keep the target of a 20% increase in sales as the main objective when they work throughout the year. The meeting is full of ideas regarding the employees and processes involved. Various plans are made to harness the potential of the employees and streamline the processes. However, with the passage of a few days the external business environment checks the capability of the organisation to adapt to situations. The company successfully comes out at the end of the year with excellence. [3]

What are the various characteristics of management you can find highlighted here? Also identify the lines in which these characteristics have been highlighted.

OR

Praveen and Naveen are friends. Praveen became a professional after completing his MBBS from 'Hindu Medical College'. Naveen completed his MBA from IIM, Bengaluru. In a discussion with Praveen, Naveen said that he too is a professional and is working with a multinational company as a senior manager getting a good package. Praveen was not convinced about the fact that Naveen was a professional despite being aware that nowadays there is increasing emphasis on managed business concerns. Praveen gave three reasons in support of his opinion. Explain the three reasons that Praveen might have given.

SECTION C

25. The employees of 'Food Darbar,' a restaurant, are trained through a structured programme that provides training in each area within the restaurant. The trainees learn the skills necessary for running each of the 12 workstations in the restaurant, from taking orders to the cooking area. This enables the employees to gain a broader understanding of all parts of the business and how the restaurant functions. The trainee gets fully involved in the department's operations and gets a chance to evaluate her own aptitude and ability. When employees are trained in this method, the organisation finds it easier at the time of promotions, replacements, or transfers. In context of the above case: [4]

- A. Name the type of training which 'Food Darbar' provides to its employees.
- B. Distinguish between training and development based on meaning, purpose, and scope.

OR

'Safal Hain Hum' is a company that has an exceptionally good HR department. It provides learning opportunities that are designed to assist the employees in achieving their goals. With the passage of time the organisation has learned several methods of training. In one of the methods the trainee is put

under the guidance of a master worker for skilled jobs. Moreover, things are not easy for the organisation at the stage of the selection process. The recruitment process followed is very lengthy and costly for the firm. Secondly, many candidates appear for the different posts after recruitment is started. However, at the first stage of the selection process the managers eliminate unqualified and unsuitable applicants based on the reasons which are not found in their application forms as they are not fit to meet basic requirements.

- A. What concepts does 'Safal Hain Hum' help achieve its employees?
- B. Which type of 'on-the-job' training is provided by the organisation to its employees?
- C. At which stage of the selection process do the managers get rid of unqualified candidates?

Which type of recruitment is used by the company to get potential candidates?

26. 'Alfa Ltd' was dealing in renewable energy. To get the business, the team leader and his team used to travel to different states to give presentations to their clients. As per the policy of the company, the leader used to travel by air, whereas his team travelled by road / train. It was not only time consuming but also at time forced female team members to travel alone. As a result, the subordinates were not acting in a desired manner to achieve organizational goals. The CEO came to know about it. He called the team leader, discussed the matter with him and decided to change the travel policy of the company. It was decided that all the members, including the leader, would travel together in future and would usefully utilize the travelling time in discussion with the subordinates about presentations to be given to the clients. This made a positive impact and every member of the team started acting in a manner as desired by the team leader. [4]

State the features of the element of the function of management used by the CEO.

27. Radhika got ₹ 10, 00,000 after selling her parental property which she had gotten as a gift from her grandmother. Her friend advised her to invest in securities in the stock market. Radhika was unaware of the procedure for the same. Her friend introduced her to a stockbroker, who was registered with the National Stock Exchange. Radhika approached the broker. The broker guided her to open a DEMAT account with a Depository, as well as a Bank account. Radhika opened a Bank account & DEMAT account with Exim Bank. [4]
- A. Identify the steps in the trading procedure for buying and selling of securities which have been discussed above.
 - B. State the next four steps of the trading procedure.

28. Sudhir is working as a purchase manager in a power sector company. All his subordinates hold him in high regard for his exceptional managerial skills. On the one hand, as a manager, he is a tough task master and expects strict compliance to the organizational 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 the lunch breaks in the cafeteria. Many a times these chit chats help him to get an insight into the views and opinions of his team members about the policies of the organisation. In the context of the case:
- A. Identify and explain the two types of organizations that have been discussed.
 - B. State any three differences between the types of organizations identified above
29. Rajender has been running a successful business of manufacturing traditional wedding wear for women including sarees and lehengas. His friend Surinder who is engaged in the business of providing web designing solutions to his clients, suggests he explore the option of selling his products online. Rajender agrees to his suggestion and decides to venture into online business, keeping in view the various e-commerce regulations to avoid imposition of any penalty. To facilitate the sale of his products, Rajender 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 Rajinder intends to start by quoting lines from the paragraph.
 - B. Distinguish between the two types of plans as identified above.
30. Eco-friendly products are gaining power as the consumers' awareness about environmental issues has increased over the years and they are conscious about choosing products that do not have adverse effects on the environment. They are now more conscious about the carbon emission and climate change effects and want themselves to be 'seen' as a green advocate among their peers. In such a scenario, it has become a challenge for the companies as they must not only meet the needs of the consumers but also ensure that their products are safe and environmentally friendly. As a result, there is a growing need for better and advanced technologies to work as a catalyst in this regard.
- A. Identify the relevant features of the business environment being discussed above.
 - B. Describe briefly any three points which highlight the importance of business environment and its understanding by managers.

SECTION D

31. After acquiring the necessary knowledge and skills to start an Aloe vera Farm, Ashok wanted to be the leading manufacturer of Aloe vera products worldwide. He observed that the products were expensive

as the demand for the products was more than the supply. He was also keen to promote methods and practices that were economically viable, environmentally sound and at the same time protecting public health. Ashok's main consideration was about the amount of money paid by the consumers in consideration of the purchase of Aloe vera products. He also thought that competitors' prices and their anticipated reactions must also be considered for this. After gathering and analyzing information and doing correct marketing planning, he came to know that the consumers compare the value of a product to the value of money which they are required to pay. The consumers will be ready to buy a product when they perceive that the value of the product is at least equal to the value of money which they would pay. Since he was entering into a new market, he felt that he may not be able to cover all costs. He knew that eventually the business will not be able to survive unless all costs are covered in addition to a minimum profit. He examined the quality and features of the products of the competitors and the anticipated reactions of the consumers. Considering the same, he decided to add some unique features to the packaging and decided to provide free home delivery of the products. The above case relates to a concept which is an effective competitive marketing weapon. In conditions of perfect competition, most of the firms compete on this concept in the marketing of goods and services.

- A. Identify and explain the concept discussed above.
- B. Explain briefly any four factors discussed in the above case related to the concept identified.

OR

Vishesh works as an interior designer. 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 10 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 the planned performance, he realizes that the standard set by him is too low. Consequently, he decides to review and revise the standard and raise it. In context of the above case:

- A. Identify the function of management being performed by Vishesh.
- B. "Planning and controlling are both backward looking as well as forward looking functions."

Explain the statement with reference to the above paragraph.

32. Seven Colors is a progressive company with an exceptionally good HR record. Recently it created a pool of prospective candidates for jobs to be given in various departments. The company is always willing to complete its HR duties properly. Various job positions exist in the company. The company makes it compulsory for the HR department to prepare job descriptions so that necessary information about the jobs can be created. For its decent HR practices the company has won several awards. It knows that the [6]

most important asset of an organisation is its image and to protect it the company should always be ready to make extra efforts. Last year when a few groups filed a complaint against the company it made great efforts to fight legally and came out victorious. It has a very good set up to promote the interests of the employees. To give them a familiar environment the company promotes various informal organizations and proper celebration of all festivals. It is very responsive towards its workers and always attends to their problems. There is a special cell in the HR department which is very responsive to the complaints made by the employees regardless of the level at which they work. Recently a national newspaper made a very favorite mentioning of the absence of strikes in the company as the management-labor relations are particularly good and a lot of importance is given to the demands of the labor unions. A very peaceful environment exists in the organisation. In the above case there are highlighted various duties of the HR department. Identify them.

OR

Roshan is the chief chef of 'Khidmat7 restaurant located in the city of Bangaluru. The place is known for its exquisite Mughlai cuisine, especially mutton, biryani, and kababs. All the food is prepared under Roshan's purview. The various activities in the kitchen are initiated in accordance with his instructions. He is clear and specific in issuing instructions to his subordinates to ensure the smooth working of the department. He personally oversees the method followed by the chefs for preparation of each dish. He misses no opportunity to praise his subordinates for their excellent work. All his team members feel incredibly happy and satisfied under his direction. He provides constant guidance to them to improve upon their taste and presentation and encourages them to innovate and be more creative in their work. In the above context:

- A. Identify the various elements of directing mentioned in the above paragraph by quoting lines from the paragraph.
- B. Describe briefly any two points to highlight the importance of directing as a function of management.

33. 'Hitesh Ltd.' is a well-known company in the cement industry since 1999. The company has an authorized capital of Rs. 100 crore and is listed with a reputed stock exchange. The value of its shares is increasing day-by-day due to an increase in the demand for cement. Now the company wants to enter the car manufacturing business. For this it requires Rs. 200 crores. The Finance Manager of the company has decided to raise this capital by a public issue. [6]
- A. Identify the market in which the company's existing securities are being traded.
 - B. Name the market through which the company wants to raise its capital of Rs.200 crore. for its new

business.

C. Distinguish between the markets identified in (a) and (b) above based on any four points.

34. Fayol and Taylor both have contributed immensely to the knowledge of management, which has become a basis for further practice by managers. Taylor thought that by scientifically analyzing work it would be possible to find 'one best way' to do it. He is most remembered for his time and motion studies and functional foremanship. He said that the best result would come from the partnership between a trained and qualified management and a cooperative and innovative workforce. Fayol explained what amounts to a manager's work and what principles should be followed in doing this work. In the light of the above discussion, differentiate between the contribution of Taylor and Fayol on the basis. A. Perspective B. Unity of command C. Focus D. Expression E. Applicability Basis of formation [6]