



INDIAN SCHOOL MUSCAT
Senior Section
Department of Commerce and Humanities

Class : XII

SAMPLE PAPER- 5

Reference:
NCERT, Text Book

Business Studies (054)

General Instructions:

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

1. Vikas Gupta is the Chairman of Teaching Point Tutorials Pvt. Ltd. Name the managerial level at which he is working. [1]

2. Define 'organising' as a function of management. [1]

3. Name the organizational structure which helps in increasing managerial and operational efficiency. [1]

4. State the role of 'Inspector' in functional foremanship. [1]

5. Name & state the aspect of financial management that provides a link between investment and financing decisions. [1]

6. 'Best Bulbs Pvt. Ltd. was manufacturing good quality LED bulbs and catering to local market. The current production of the company is 800 bulbs a day. Sumit, the marketing manager of the company surveyed the market and decided to supply the bulbs to five-star-hotels also. He anticipated the higher demand in future and decided to buy a sophisticated machine to further improve the quality and quantity of the bulbs produced. [1]

Identify the factor affecting fixed capital requirements of the company.

7. Name the marketing function which is concerned with the important decision of managing inventory. [1]

8. Manvendra always went to a specific shop to buy all consumable and non-consumable goods. In this shop variety of products of different brands were displayed nicely and the sales person available also gave good sales presentation if required. But this shop was quite far off from his residence. His

friend Annant always wondered why Manvendra wastes so much time in going to that shop where as there were many big brand shops situated near his residence having consumable and non-consumable goods. Annant asked Manvendra the reason of going to that particular shop. Manvendra told that he was exercising one of his 'Rights' which he could not exercise in near-by big brand shops. State the consumer's right which Manvendra had exercised. [1]

9. Explain any three limitations of 'Planning'. [3]

10. Mr. Mohan Kumar, is the owner of Jason's Enterprises, carrying on the business of manufacturing sanitary items. There is a lot of discontentment in the organization and the targets are not being met. He asked his son Ritesh, who has recently completed his MBA, to find out the reason. Ritesh found that his father did not have confidence in the competency of employees and was not seeking their advice or opinion. There was also lack of transparency in the operations of the business. Thus, the employees were not happy.

a. Identify any two communication barriers because of which 'Jason's Enterprises' was not able to achieve its targets.

b. State one more barrier each of the type identified in part (a) above. [3]

11. Vinod The Human Resource Manager, Umesh The Assistant manager and Ashok The Marketing Head of Hitashi Enterprises Ltd. decided to leave the company. The Chief Executive Officer of the company called the Human Resource Manager, Vinod and requested him to fill-up the vacancies before leaving the organization. Vinod suggested that his subordinate Rajesh is very competent and trustworthy. If he could be moved up in the hierarchy, he would do the needful. The Chief Executive Officer agreed for the same. Rajesh contacted 'Zenith Recruiters' who advertised for the post of marketing head for 'Hitashi Enterprises Ltd.'. They were able to recruit a suitable candidate for the company. Umesh's vacancy was filled-up by screening the database of unsolicited applications lying in the office.

a. Name the internal/external sources of recruitment used by 'Hitashi Enterprises Ltd.' to fill-up the above stated vacancies.

b. Also, state any one merit of each of the above identified source of recruitment. [3]

12. Mr. Aditya Gupta was the chairman of 'Vandan Bank'. The Bank was earning good profits. Shareholders were happy as the bank was paying regular dividends. The market price of their shares was also steadily rising. The bank announced taking over of 'Karur Bank'. Aditya Gupta knew that the share price of Vandan Bank would rise on this announcement. Being a part of the bank, he was not allowed to buy shares of the bank. He called one of his rich friends Nimesh and asked him to invest Rs 6 crores in the shares of his bank promising him the capital gain. As expected, the share prices went up by 40% and the market price of Nimesh's shares was now Rs 8.4 crores. He had earned a profit of Rs 2.4 crores. He gave Rs 1.2 crore to Mr. Aditya Gupta and kept Rs 1.2 crore with him. On regular inspection and by conducting enquiries of the brokers

involved, Securities and Exchange Board of India (SEBI) was able to detect this irregularity. SEBI imposed a heavy penalty on Aditya Gupta. By quoting the lines from the above para identify and state any two functions that were performed by SEBI in the above case. [3]

13.State any three directions which can be issued by the consumer court to the opposite party if it is satisfied about the genuineness of the complaint. [3]

14.Explain any four features of management. [4]

15. 'Accent Electronics Ltd.' was operating its business in Malaysia. The company started exporting its products to India when the Prime Minister announced relaxation in import duties on electronic items. The company appointed retailers in India who had direct on-line links with the suppliers to replenish stocks when needed. Identify and explain the dimensions of business environment discussed in the above case. [4]

16. 'Panda Trucks Ltd.' decided to set-up its new truck manufacturing factory in the backward area of Bihar where very less job opportunities were available. People of that area welcomed this effort of 'Panda Trucks Ltd.'. To attract people to work in its factory it also decided to provide many other facilities like school, hospital, market etc. in the factory premises 'Panda Trucks Ltd.' started earning huge profits. Another competing company asked its production manager 'Sanjay' to investigate the reasons of earning huge profits by 'Panda Trucks Ltd.'. Sanjay found out that in both the companies there was systematic co-ordination among the various activities to achieve organizational goals. Every employee knew who was responsible and accountable to whom. The only difference was that in his organization communication took place only through the scalar chain, whereas 'Panda Trucks Ltd.' was allowing flow of communication in all the directions as per the requirement which lead to faster spread of information as well as quick feedback.

a. Identify the type of organization which permits 'Panda Trucks Ltd.' the flow of communication in all the directions.

b. State an advantage of the type of organization identified in (a) above.

c. State any two values which 'Panda Trucks Ltd.' wanted to communicate to the society. [4]

17. 'K.S. Energy Ltd.' was a energy efficiency consultancy company. To get the business the team leader and his team used to travel to different states to give presentation to their clients. As per the policy of the company, the team leader used to travel by air, whereas his team travelled by road/train. It was not only time consuming but also at times 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 changed 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 the presentation 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.

State the features of the element of the function of management used by the CEO. [4]

18. Diksha Ltd. was marketing 'Dish-Washers' which were very popular due to their quality and after-sale 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 its after-sale services. As a result its relations with the customers got spoiled and the image of the company was damaged in the eyes of the public. Top management became concerned when the profits for the current quarter fell steeply. On analysis it was revealed that ignoring after-sale services was its reason. Therefore, the company took all possible measures to protect and promote its image. 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 images.

b. Also explain role of the tool as identified in part (a). [4]

19. State any four methods of floatation of new issues in the primary market. [4]

20. Two years ago Nishant, completed his degree in Textile Engineering. He worked for sometime in a company manufacturing readymade garments. He was not happy in the company and decided to have his own readymade garments manufacturing unit. He set the objectives and the targets and formulate action plan to achieve the same. One of his objectives was to earn 80% profit on the amount invested in the first year. It was decided that raw materials like cloth, thread, buttons etc. will be purchased on two months credit. He also decided to follow the steps required for marketing the products through his own outlets. He appointed Ritesh as a production manager, who decides the exact manner in which the production activities are to be carried out. Ritesh also prepared a statement showing the requirement of workers in the factory throughout the year. Nishant informed Ritesh about his sales target for different products area wise for the forthcoming quarter. A penalty of Rs 200 per day was announced for the workers who found smoking in the factory premises.

Quoting lines from the above Para identify and explain the different types of plans discussed. [5]

21. Yash is working in a multinational company in Noida. He was running temperature for the last many days. When his blood was tested, he found positive for chickengunia. He was admitted in the hospital and a blood transfusion was advised by the doctors as his condition was very serious. One of his colleagues sent a text message to his immediate superior 'Vineet'. Vineet immediately sent a text message to the employees of the organization requesting them to donate blood for Yash. When the General Manager came to know about it, he ordered for fumigation in the company premises and cleanliness of the surroundings.

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 by Vineet to the society. [5]
- 22.State the relationship between ‘planning’ and ‘controlling’ functions of management. [5]
- 23.Explain any four points that highlight the importance of principles of management. [6]
24. Pooja purchased a packet of juice from the local grocery shop. The information provided on the packet 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. a. Identify the important aspect which has been neglected by the marketer in the above case. b. Explain briefly the functions of the aspect identified in (a) above. [6]
25. Sakshi Ltd. is a company manufacturing electronic goods. It has a share capital of Rs 120 lakhs. The earnings per share in the previous year was Rs 0.5. For diversification, the company requires additional capital of Rs 80 lakhs. The company raised funds by issuing 10% debentures for the same. During the current year the company earned profit of Rs 16 lakhs on capital employed. It paid tax @ 40%.
- a. State whether the shareholders gained or lost in respect of earning per share on diversification. Show your calculations clearly.
- b. Also state any three factors that favour the issue of debentures by the company as part of its capital structure. [6]
