



COMMON PRE-BOARD EXAMINATION 2022-23



Subject: BUSINESS STUDIES (054)

CLASS: XII

Date: 17.01.2023

TIME: 3 HOURS

Max.Marks:80

General Instructions:

- 1 This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Answers should be brief and to the point.
4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions carrying 4 marks may be about 150 words.
6. Answers to the questions carrying 6 marks may be about 200 words.
7. Attempt all parts of the questions together.

1	Due to proper organizing and division of work, a company goes for systematic assignment of jobs among the employees, which importance of organizing is highlighted here? (a) Clarity in working relationship (b) Adaptation to change (c) Effective administration (d) Benefits of specialization	1
2	The market is flooded with better quality toys of foreign origin. The result is fall in revenue of the indigenous or local companies as their products are much interior and are also costlier in less demand in the market. Which dimension of Business Environment can be seen here affecting the local companies' revenue? (a) Social environment (b) Technological environment (c) Political environment (d) Economic environment	1
3	Which of the following is not related to Organising as a process? (a) Initiates implementation of plans (b) Provides framework for performing managerial and operating tasks (c) Clarifies jobs and working relationship (d) Effectively deploy resources	1
4	Any kind of external devices, like compact discs (CD's) for computer, have become obsolete. Google, with its Google Drive service, Apple with its iCloud offering, enables the users store documents, photos, music and movies on web-based servers. Identify the feature of business environment being described in the above lines. (a) Relativity (b) Dynamic nature (c) Uncertainty (d) Interrelatedness	1

5	<p>Identify the process that provides the requisite amount, quality, timing and sequence of efforts, which ensures that planned objectives are achieved with a minimum of conflict.</p> <p>(a) Management (b) Planning (c) Co-ordination (d) Controlling</p>	1
6	<p>The Uttarakhand government has developed surveillance network using latest satellite technology. Under this system, the state's mining department would be in a position to check illegal mining activities across the state. The state government is also considering the use of drones in its proposed campaign against illegal mining. Identify the related dimensions of business environment.</p> <p>(a) Economic dimension and Legal dimension (b) Social dimension and Technological dimension (c) Technological dimension and Political dimension (d) Political dimension and Economic dimension</p>	1
7	<p>As a result of major government initiatives, more and more people are going 'green'. In order to keep in line with the trend, 'Clapaway' a carpet cleaning company has advertised that they only use natural cleaners that come from renewable resources and that all their service vehicles are hybrid vehicles that use both gas and electricity. Identify one of the points related to the importance of business environment and its understanding by managers which is being highlighted in the above case.</p> <p>(a) It helps in assisting in planning and policy formulation (b) It helps in coping with rapid changes (c) It helps in improving performance (d) It enables the firm to identify opportunities and getting the first mover advantage</p>	1
8	<p>Ravi works as a production manager in Rosy private Limited. He has been given the task of getting 10000 units of hand woven table mats manufactured at the cost of ₹150 per unit, within 100 days. In order to be acknowledged as an effective manager, he must ensure that</p> <p>(a) The cost of production does not exceed ₹150 per unit (b) The work is completed within 100 days even at higher cost per unit (c) The cost of production is less than ₹150 per unit (d) All of the above</p>	1
9	<p>Gagan is trying to apply a function of management in his department. First he lets his team perform according to their best potential. Then in a meeting he calls and asks his team to check what they have performed. One day it was found that the total number of units produced were 20 less than the set target. It was decided that no worker will go home unless and until this gap of 20 units is overcome.</p> <p>At which stage of management do you think the target was set?</p> <p>(a) Staffing (b) Controlling (c) Organizing (d) None of these</p>	1
10	<p>'Saurashtra' is a company involved in the export of indigenous food products like chutneys and pickles. It has tied up with the small farmers in various states for sourcing of fruits and vegetables. In this way it helps the small farmers to sell their produce at reasonable rates. The company follows a practice where only significant deviations from a budget or plan are brought to the attention of management. The degree of deviations allowed in different categories in the budget are well defined in advance, along with the appropriate levels of management who will</p>	1

	<p>respond to the deviations in question. For example, a deviation of ₹ 20,000 or more in purchase costs will be reported to the concerned department manager. In context of the above case: Identify the principle of management control adopted by the company.</p> <p>(a) Analysing Deviation (b) Critical Point Control (c) Key Result Areas (d) None of these</p>									
11	<p>Which of the following statement is true about the organising function of management?</p> <p>(a) Departmentalisation is the first step in the organising process. (b) Organising discourages creativity amongst the managers. (c) Organising allows a business enterprise to accommodate changes in the business environment (d) All of the above.</p>	1								
12	<p>Statement (1):- Marketing Planning helps in collecting informations about consumers, their requirements and expectations. Statement (2):- These planning are made for increasing the level of production, sales and promotion of products etc. Choose the correct option from the options given below:</p> <p>(a) Both the statements are true. Statement 1 is the correct explanation of statement 2 (b) Both the statements are true, but statement 2 is not the correct explanation of the first. (c) Statement 1 is correct, but statement 2 is incorrect (d) Statement 1 is incorrect, but Statement 2 is correct</p>	1								
13	<p>Match the following:</p> <table><tr><td>(a) The most popular method of raising funds by Public companies in the primary market.</td><td>(i) Right issue</td></tr><tr><td>(b) A company sells securities en-bloc at an agreed price to brokers.</td><td>(ii) Offer through prospectus</td></tr><tr><td>(c) Allotment of securities by a company to institutional investors and some selected individuals.</td><td>(iii) Offer for sale</td></tr><tr><td>(d) The shareholders are offered a privilege to buy new shares in proportion to the number of shares they already posses.</td><td>(iv) Private placement</td></tr></table> <p>(a) a-iv, b-ii, c-iii, d- i (b) a-ii, b-iii, c-iv, d- i (c) a-I, b-ii, c-iii, d- iv (d) a-iii, b-ii, c-iv, d- i</p>	(a) The most popular method of raising funds by Public companies in the primary market.	(i) Right issue	(b) A company sells securities en-bloc at an agreed price to brokers.	(ii) Offer through prospectus	(c) Allotment of securities by a company to institutional investors and some selected individuals.	(iii) Offer for sale	(d) The shareholders are offered a privilege to buy new shares in proportion to the number of shares they already posses.	(iv) Private placement	1
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14	<p>----- is a short term unsecured promissory note ,negotiable and transferable by endorsement and delivery with a fixed maturity period of -----,issued by large and credit worthy companies to raise short term funds.</p> <p>(a) Commercial papers ,50 days to one year (b) Commercial bill,90 days (c) Treasury bill, 3 months (d) None of these</p>	1								

15	<p>Within 2 years of its inception, Bhavni Limited has created a very positive reputation about itself and its products in the eyes of general public by participating extensively in various social welfare programs. Identify the component of promotion mixing described in the given lines.</p> <p>(a) Advertising (b) Personal selling (c) Public relation (d) Sales promotion</p>	1
16	<p>A company wanted to raise funds so it reached out to facilities an institutional arrangements through which long term funds (debt + equity) were raised and invested. A lot of thinking was done whether the company should have gone for debt or equity. Finally, it decided to go for equity. The owner of the company decided to follow the guidelines of SEBI. Which concept of financial market is highlighted in the starting of the case?</p> <p>(a) Money market (b) Capital market (c) Financial intermediation (d) All of the above</p>	1
17	<p>According to the modern marketing concept, which of the following statements is true?</p> <p>(a) It refers to the group of people who do not have the ability but willingness to buy a particular product. (b) It refers to only the set of people who have the purchasing power to buy a particular product. (c) It refers to the set of actual and potential buyers for a product. (d) It refers only to the people who show interest in a particular product.</p>	1
18	<p>Gaurav is a wholesaler of food grains. He categorizes his stock into different groups on the basis of their quality and also fixes up the prices accordingly. Identify the type of marketing function being mentioned in the given line.</p> <p>(a) Physical distribution (b) Transportation (c) Warehousing (d) Standardization and grading</p>	1
19	<p>Make the correct order of following marketing functions</p> <p>I) Market planning II) Gathering and analyzing marketing information III) Standardization and grading IV) Product designing and development</p> <p>(a) I, II, IV, III (b) I, IV, II, III (c) II, I, IV, III (d) IV, I, II, III</p>	1
20	<p>Which of the following is not a regulatory function of SEBI?</p> <p>(a) Regulation of takeover bids by companies (b) Levying fee or other charges for carrying out the purposes of SEBI Act (c) Registration of collective investment schemes and mutual funds (d) Controlling insider trading and imposing penalties for such practices.</p>	1
21	<p>Management has evolved like other disciplines. There are umpteen numbers of books of management. One can see that the various theories of management are getting absorbed in the competitive work environment. We can see students of various courses like MBA, BBA, etc. acquiring learning of the systematic knowledge in their syllabus. When these students come in the actual industry environment, not all of them are successful. Success in actual work</p>	3

	<p>environment depends upon the intelligent application and mastery of the basic principles of management. Today various companies are considering them as responsible components of society and have started including Corporate Social Responsibility in their main program. These companies have realized that they will be requiring support from Government and people if they want to achieve some important feats in this field.</p> <p>In the above paragraph one feature is each of science, art and profession has been discussed. Identify and explain each of them.</p>	
22	<p>Radhika Garments Ltd. are the manufacturers of 'Ladies Designer Suits' with their own trade mark. During the year 2013-14 the company employed 30 senior technicians to work on machines imported from France for manufacturing of 'Ladies Designer Suits'. The technicians were employed on a probation of one year and were put on their respective jobs after 10 days of on-the-job training. Because of the faulty selection process they 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. Advise the company about any three types of selection tests, describing each in about 20 words that may be used for selecting the desired technicians.</p>	3
23	<p>Describe any three relationship between planning and controlling.</p> <p style="text-align: center;">OR</p> <p>State any three points of importance of controlling function of management.</p>	3
24	<p>Explain any three functions of a financial market.</p> <p style="text-align: center;">OR</p> <p>Differentiate between Capital market and Money market on the basis of:</p> <ol style="list-style-type: none"> Investment outlay Safety Liquidity 	3
25	<p>Human Resource Management includes many specialized activities and duties which the human resource personnel must perform. In the light of this statement, explain any four such duties performed by Human Resource Manager.</p> <p style="text-align: center;">OR</p> <p>"Some Learning opportunities are designed and delivered to improve skills and abilities of employees where as some others are designed to help in the growth of individuals in all respects".</p> <ol style="list-style-type: none"> Identify the two concepts. Differentiate them on any four basis. 	4
26	<p>An organisation has the policy of providing incentives in the form of monetary terms. It knows that to improve the performance of the employees their needs must be satisfied. The company has come up with a plan of increasing wages of workers who perform beyond a definite level. By the end of the year the company has some other plans. It wants to give an incentive to the workers over and above the wages. The workers have started putting more efforts. The company has announced that after the month of March it will be giving shares to the exceptionally performing workers. Company is hoping to get a good response from the employees through this announcement in terms of better performance and contribution.</p> <ol style="list-style-type: none"> Which type of incentive is highlighted in the above case? Identify the various types of these incentives highlighted in the above case. 	4

	<p style="text-align: center;">OR</p> <p>Mr. Sikka is an exceptional team leader. He knows that for a team to achieve its goals and progress nicely communicative effectiveness is required. He always maintains what he says, focuses on future goals of the organization and never goes against his commitments. You can find him most of the times busy communicating with his superiors or subordinates. When he once delivers the message he always checks whether his team is able to understand the concept he is trying to communicate and he does it through proper questioning. He has a very pleasing personality. Whenever he delivers a speech he focuses on his language, his voice and the sentiments of his listeners. He is a real team leader. He gives members of his team opportunities to express themselves. Whenever he is about to make a speech he consults his team members for developing a plan of communication by their participation and involvement. He always says that whatever is useless should be rejected and whatever is useful should be accepted. His purpose of speaking is to help others. He believes that a speech should be such which takes into consideration interests and needs of the listeners. There is a lot one can learn from Mr. Sikka's personality.</p> <p>In the above case which measures of communicative effectiveness have been adopted by Mr. Sikka? Identify them.</p>	
27	<p>Nikhil runs a small dhabba on the Jaipur highway. He is very rigid and follows a strict policy of punishment like cutting the salary, stopping increments or giving job termination threats to his workers for any kind of discrepancies in their work. He does not seek advice or opinions from his workers, as he does not have any confidence on the competence of his workers. Also, the workers are not willing to offer useful suggestions as they do not expect any motivation or incentive for taking such initiatives. As a result, the labour turnover is high and his business has been adversely affected.</p> <p>In the above context:</p> <ol style="list-style-type: none"> 1. Name and explain the style of leadership adopted by Nikhil and draw a diagram depicting the style. 2. Identify the various human needs of workers that are being overlooked by Nikhil as per the Maslow's need hierarchy theory of motivation. 	4
28	<p>Sarah Ltd. is a company manufacturing cotton yarn. It has been consistently earning good profits for many years. This year too, it has been able to generate enough profits. There is availability of enough cash in the company and good prospects for growth in future. It is a well-managed organization and believes in quality, equal employment opportunities and good remuneration practices. It has many shareholders who prefer to receive a regular income from their investments.</p> <p>It has taken loan of ₹ 40 lakhs from IDBI and is bound by certain restrictions on the payment of dividend according to the terms of loan agreement.</p> <p>The above discussion about the company leads to various factors which decide how much of the profits should be retained and how much has to be distributed by the company. Quoting the lines from the above discussion identify and explain any four such factors.</p>	4
29	<p>Ram limited is in the business of manufacturing and exporting home décor products. It has a share capital of ₹ 70 lacs at the face value of ₹ 100 each. Company is considering a major expansion of its production facilities and wants to raise ₹ 50 lacs. The finance manager of the company Mr. Arun has recommended that the company can raise funds of the same amount by issuing 7% debentures. Given that earning per share of the company after expansion is ₹ 35 and tax rate is 40%, did Mr. Arun give a justified recommendation? Show the working.</p>	4

30	<p>Sharan wants to purchase a sandwich maker. He goes to a nearby mall and enters the shop where electric gadgets are kept. He asks the salesman about the area where sandwich makers are kept. The sales man takes him to that place where different types of sandwich makers are kept. He very patiently observes all the electronic gadgets, sees their functions, reads their instructions, compares their prices and sees their warranty periods. After some time when he pays the concerned person, tells him to note his home address and telephone number for future contact. He also asks him to inform him about any new products in the market.</p> <p>1) In the above case name one consumer responsibility Sharan should follow? 2) In the above case when Sharan reads the instructions which consumer right is maintained? 3) Which mark should be checked by Sharan on the electronic appliance as he purchases it? 4) What is the significance of this mark?</p>	4
31	<p>Briefly explain the following principles of management given by Henry Fayol:</p> <p>a. Initiative b. Discipline c. Unity of command</p> <p style="text-align: center;">OR</p> <p>Briefly explain the following techniques of Scientific Management as given by F.W. Taylor:</p> <p>a. Functional foremanship b. Standardization and Simplification c. Time study</p>	6
32	<p>'It is that function of management which is considered as the base of all other functions'. Identify the given management function. Explain any five importance of this function.</p> <p style="text-align: center;">OR</p> <p>Planning as a function of management requires application of mind and involves intelligent imagination and sound judgements. It involves thorough examination and evaluation of different alternatives to choose the most appropriate one.</p> <p>a) Which features of planning are referred to? b) Discuss four other features of planning</p>	6
33	<p>Lego is a leading toy manufacturing company. With the help of proper delegation it has enabled the existence of proper workforce to take up leading positions in several challenging projects. The company has been in news for good reasons related with innovation. Due to proper delegation the relationships between the superiors and the subordinates are properly defined at various levels leading to creation of a strong management structure. Last year it was awarded for good administration. Due to proper delegation there is no overlapping of duties and duplication of efforts as there is clarity of working relationships.</p> <p>The company is acting as a role model for other players in the industry. The productivity of the organisation has improved as it is very organized. Specific jobs are done only by specific workers resulting in increase of efficiencies at individual levels. The company is now thinking of going global and has recently opened a branch in Europe. However the conditions are going to be different there. Keeping in mind the strong organizing of the company it is expected that it will be able to modify its organisational structure and prove its superiority there also.</p>	6

	<p>Recently a meeting is held by the top management. It is decided that the organisation will go for a major shift in policy decision and involve the lower level of management in decision making. The size of the company is growing so it will require more participation from the employees.</p> <ol style="list-style-type: none"> 1. Identify the three advantages of delegation highlighted above. 2. Identify the two advantages of organizing highlighted above. 3. Find the concept given in the third paragraph of the above case. 	
34	<p>Comcast Cables' deals in cables of all varieties. Recently it has launched a new product to increase its revenue and take the company to a new height. The company is confused about keeping the price of a newly launched cable which is meant for all types of household works. In order to beat the competition it has decided to keep the prices low as there is tough competition in the market. The company has got a contract from a government institution. This institution works for non-profit motive and whosoever works for them will have to work at subsidized rates so the company will have to take less money but will get tax benefits; the impact on the organization will be that it will have to provide cables at a low price to support government initiative. However, the prime objective of company otherwise is profit maximization. For its metro cities based customers the company has decided to adopt various methods like improvement in quality of salesmen, innovation in packaging, liberal credit terms, etc. Whatsoever the conditions the company can't go beyond a level as far as pricing is concerned. One such reason is the amount of funds it puts both in the fixed capital like plant & machinery or working capital like wages of labourers which fixes the lowermost limit of the price. The management of the company has recently come to know about a great opportunity arising in Europe for it. It has been contacted by Europe based contractors who are making world class buildings around the globe. They require the cables in high quantity and the requirement is so high that they are ready to pay double the price provided the cables are made available to them within a short period of time. However, the management of the company has decided that in this case they can lower the prices of the cables. This has been done keeping in mind the presence of other European competitors who can lower the prices of their cables in order to survive in the market.</p> <p>Identify the various factors affecting price determination in the above case.</p>	6