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## INDIAN SCHOOL MUSCAT SECOND PRE – BOARD EXAMINATION

### BUSINESS STUDIES

CLASS: XII

Sub. Code: 054

Time Allotted: 03 hours

12.02 .2020

Max. Marks: 80

#### General Instructions:

- This question paper contains 5 sections namely A, B, C, D and E.
- Section A comprises of 20 questions for 1 mark each.
- Section B contains 5 question of 3 marks each
- Section C contains 3 questions of 4 marks each.
- Section D contains 3 questions of 5 marks each.
- Section E contains 3 questions of 6 marks each.

#### SECTION – A (Q.NO. 1 TO 20 OF 1 MARK EACH)

1. What is meant by 'efficiency' in management? 1
  
2. National InfoTech Ltd. has grown in size. It was a market leader but with changes in business environment and with the entry of MNCs its market share is declining. To cope up with the situation CEO starts delegating some of his authority to the General Manager, who also felt himself overburdened and with the approval of CEO disperses some of his authority to various levels throughout the organization .Which concept of management discussed above. 1
  - a) Accountability
  - b) Decentralization
  - c) Delegation
  - d) Span of management
  
3. 'Critical point control' as a step in the process of Planning. ( True / False ) 1
  
4. Amit is running an 'Advertising agency' and earning a lot by providing this service to big industries. State whether the working capital requirement of the firm will be 'less' or 'more'. Give reason in support of your answer. 1
  
5. Alliance Ltd. is engaged in manufacturing plastic buckets. The objective of the company is to manufacture 100 buckets a day. To achieve this, the efforts of all departments are coordinated and interlinked and authority-responsibility relationship is established among various job positions. There is clarity on how is to report to whom. Which of the function of management is highlighted here? 1
  - a) Organizing      b) planning      c) Directing      d) Staffing

6. Reshu's father has gifted her shares of a large cement company, with which he had been working. The securities were in physical form. She already has a bank account and does not possess any other forms of securities. She wished to sell the shares and approached a registered broker for the purpose. 1  
Mention one mandatory detail which she will have to provide with the broker.
7. Define co ordination. 1
8. It is the belief of Namitha Garments Pvt Ltd that if the quality of goods/services is good then the customer can be easily attracted. On the basis of this thinking the company directs its marketing efforts towards improving the quality of its product. Choose the right marketing philosophy as mentioned in the above paragraph. 1
  - a) Product
  - b) Production
  - c) Societal
  - d) Marketing
9. The birth of authority takes place due to formal relations. ( True/ False ) 1
10. ----- is used for bridge financing.( commercial paper / certificate of deposit ) 1
11. Who cannot file a complaint in a consumer court? 1
  - a) Individual consumer
  - b) Any consumer organization
  - c) Government
  - d) All of the above
12. The objective of ----- is to study the required number of workers. 1  
(method study / Time study)
13. State the purpose of conducting aptitude test in the selection purpose. 1
14. What is meant by packaging? 1
15. Name the financial decision which affects the liquidity as well as the profitability of the business. 1
16. Imparting training is the regulatory function of SEBI ( True / False ) 1
17. Some friends joined together and set up a multinational company .Their company makes four different products .Which sort of organization structure might have been adopted by the company? 1
  - a) Functional
  - b) Horizontal
  - c) Vertical
  - d) Divisional
18. State one difference between publicity and advertisement. 1
19. Give the meaning of controlling. 1
20. Every organization desires that it would have goodwill in the minds of all concerned. To establish goodwill, it is essential to have dialogue. How is it possible to have dialogue? 1
  - a) advertising
  - b) Public relation
  - c) Publicity
  - d) Sales promotion

**SECTION – B (Q.NO. 21 TO 25 OF 3 MARKS EACH)**

21. What is meant by 'fictional structure' of an organization? State its any two advantages. 3
21. Pramod was a supervisor at 'Annapurna Ata' factory. The factory was producing 200 quintals of aata every day. His job was to make sure that the work goes on smoothly and there was no interruption in production. He was a good leader who would give orders only after consulting his subordinates and work out the policies with the acceptance of the group. Identify and describe the leadership style being adopted by Pramod. 3
23. Explain how the 'product related factors' affect the choice of channels of distribution. 3
- OR**
- Explain how market related factors affect the choice of channel of distribution.
24. Neeraj, a sales representative of 'Omida Ltd.' has changed seven jobs in the last one year. He is a hard working person but is not able to finalise deals with the customers due to his inadequate vocabulary and omission of needed words. Sometimes he uses wrong words because of which intended meaning is not conveyed. All this created a misunderstanding between him and his clients. 3
- (a) Identify the communication barrier discussed above.
- (b) State the category of this communication barrier.
- (c) Explain any other communication barrier of the same category.
25. 'Financial market plays an important role in the allocation of scarce resources in an economy by performing many important functions.' Explain any three such functions. 3

**SECTION – C (Q.NO. 26 TO 28 OF 4 MARKS EACH)**

26. 'Aapka Vidyalaya' believes in holistic development of students and encourages team building through a mix of curricular, co-curricular and sports. A committee of ten prefects was constituted to plan different aspects of the function. They all decided to use recycled paper for decoration. There was a spirit of unity and harmony and all members supported each other. With mutual trust and belongingness the programme was systematically planned and executed. Kartik, one of the prefects realized that unknowingly the group had applied one of the principles of management while planning and executing the programme. He was so inspired by the success of the function that he asked his father to apply the same principle in his business. His father replied that he was already using this principle. 4
- (a) Identify the principle of management applied for the success of the programme.
- (b) State any two features of management highlighted in the above para.
- (c) Identify any two values which 'Aapka Vidyalaya' communicated to the society.
27. The workers of 'Vyam Ltd.' are unable to work on new and hi-tech machines imported by the company to fulfill the increased demand. Therefore, the workers are seeking extra guidance from the supervisor. The supervisor is overburdened with the frequent calls of workers. 4
- i) Suggest how the supervisor, by increasing the skills and knowledge of workers, can make them handle their work independently?
- ii) Also state any three benefits that the workers will derive by the decision of the supervisor.
28. 'Ganesh Steel Ltd.' is a large and credit-worthy company manufacturing steel for the Indian market. It now wants to cater to the Asian market and decided to invest in new hi-tech 4

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 floatation cost. To meet the expenses of floatation 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) State any other purpose for which this instrument can be used.

**OR**

Distinguish primary market secondary market for securities.

**SECTION – D (Q.NO. 29 TO 31 OF 5 MARKS EACH)**

29. State and explain any five features of 'Planning' as function of management. 5

**OR**

State and explain any five limitations of planning as a function of management.

30. Smita had been working as an assistant manager with 'Johnson Enterprises' for the last ten years. She was very popular amongst her colleagues because of her commitment and dedication towards the work. When the manager senior to her retired, all her colleagues thought that now Smita would be promoted. But to everyone's surprise the vacant post was filled by an outsider, Mrs. Rita. Smita felt demoralized and her performance started declining. She would abstain herself often and could not meet her targets. Mrs. Rita was a good leader, who would not only instruct her subordinates but would also guide and inspire them. She noticed Smita's behavior and felt her performance could be improved. She started involving Smita in decision making-issues related to the organization and made her a part of high level joint-management committee. Smita was now punctual in office and her performance started improving. 5
- (i) Identify the function of management being performed by Rita.
  - (ii) Name the element of the above function of management which helped Rita to improve Smita's behaviour.
  - (iii) State any three features of the element identified in (ii) above.
31. A company was manufacturing 'LED bulbs' which were in great demand. It was found that the target of producing 300 bulbs a day was not met by the employees. On analysis, it was found that the workers were not a fault. Due to electricity failure and shortage of workers, the company was not able to achieve the set targets and alternative arrangements were needed. To meet the increased demand, the company assessed that approximately 88 additional workers were required out of which 8 would work as heads of different departments and 10 would work as subordinates under each head. The required qualifications and job specifications were also enlisted. It was also decided that necessary relaxation should be given to encourage women, persons from backward and rural areas and persons with special abilities to assume responsible positions in the organisation. All efforts were made to match the ability of the applicants with the nature of work. 5
- (a) Identify the functions of management discussed above.
  - (b) State the two steps in the process of each function discussed in the above para.
  - (c) List any two values which the company wants to communicate to the society.

**SECTION – E (Q.NO. 32 TO 34 OF 6 MARKS EACH)**

32. With the help of a diagram explain 'Functional Foremanship' as a technique of scientific management. 6

**OR**

Explain the principle of management (a) stability of personnel (b) scalar chain

33. 'Hayaram' is a famous chain selling a large variety of products in the Indian market. Their products include chips, biscuits, sweets and squashes. It charges a comparatively higher price than its competitors as it sells quality products. Besides, it offers regular discount to its customers and easy credit terms to its retailers. It has five of its own retail shops. It also sells. Its products through various grocery stores so that the products are made available to customers at the right place, in the right quantity and at the right time. It regularly uses different communication tools to increase its sales. The above para describes the combination of variables used by Hayaram to prepare its market offering. Identify and explain the variables. 6
34. '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. It has taken a loan of ` 40 lakhs from IDBI and is bound by certain restrictions on the payment of dividend according to the terms of loan agreement. 6

The above discussion above 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.

**End of the Question Paper**