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SET B



**INDIAN SCHOOL MUSCAT
FIRST PRELIMINARY EXAMINATION
BUSINESS STUDIES**

CLASS: XII
15.01.2019

Sub. Code: 054

Time Allotted: 3 Hrs
Max. Marks: 80

General Instructions:

1. All questions are compulsory.
2. Marks are indicated against each question.
3. Answers to questions carrying 1 mark may be one word to one sentence.
4. Answers to questions carrying 3 marks may be from 50 to 75 words.
5. Answers to questions carrying 4-5 marks may be 150 words.
6. Answers to questions carrying 6 marks may be in 200 words.

Section A

- 1 'The subject of management is taught at different institutions. Some of these have been set up with the specific purpose of providing management education such as the Indian Institutes of Management (IIMs) in India.' Which aspect of the nature of Management is mentioned in this statement? 1
- 2 Name the process of guiding the efforts of employees and other resources to accomplish the desired objectives. 1

OR

Name the joint programme of training selected candidates in which educational institutions and business firms cooperate.

- 3 Define Marketing Management. 1

OR

Define Branding.

- 4 Distinguish between Formal and Informal Organisation on the basis of Authority. 1

OR

Distinguish between Functional and Divisional Structure on the basis of Specialisation .

- 5 Aryan went to purchase a pack of chocolate for his son from a shop in the nearby market. Despite his preference to buy a pack of a particular brand the shopkeeper forced him to buy the pack of chocolate of another brand, by giving some odd justifications. After 1

coming back home, Aryan was feeling very dissatisfied.
Identify and explain the right of the consumer being violated in the above case.

- 6 'Efficient cash management, inventory management and receivables management are essential ingredients of this financial decision.' 1
State the decision involved with reference to the given statement.
- 7 Pramod was a supervisor at 'Annapurna Atta' factory. 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. 1
Identify the type of leadership style followed by Pramod in the above situation.
- 8 'Considering the implementation of a programme to be a part of its corporate social responsibility initiative, a school has decided to spend around Rs.50,000 on the distribution of free stationery items, refreshment of learners, etc.' 1
Identify the type of plan formulated by the school.

Section B

- 9 Explain any three characteristics of directing function of management. 3

OR

State any three points of importance of Motivation as an element of Directing.

- 10 Suhasini, a Home Science graduate from a reputed college, has recently, done a cookery course. She wished to start her own venture with a goal to provide 'health food' at reasonable prices. She discussed her idea with her teacher (mentor) who encouraged her. After analyzing various options for starting her business venture, they short listed the option to sell readymade and 'ready to make' vegetable shakes and milk shakes. Then they weighed the pros and cons of both the short listed options. 3
(a) Name the function of management being discussed above.
(b) Enumerate the next two steps, which have to be followed by Suhasini that are related to the process of the function of management identified in part (a).
- 11 'An active and healthy secondary market in existing securities leads to positive environment among investors.' In the light of the given statement explain three functions of a stock exchange. 3

OR

"The overall objective of SEBI is to protect the interest of investors and to promote the development of, and regulate the securities market." In light of the given statement, explain any three objectives of SEBI.

- 12 'Delegation is not a process of abdication.' Comment. 3

- 13 Yogesh, a businessman, is engaged in the purchase and sale of ice-creams. Identify the quantum of his working capital requirements by giving reasons to support your answer. Now, he is keen to start his own ice-cream factory. Explain any two factors that will affect his fixed capital requirements. 3

Section C

- 14 A recent rate cut in the interest on loans announced by the banks encouraged Amit, a science student of Progressive School, to take a loan from State Bank of India to experiment and develop cars to be powered by fuel produced from garbage. He developed such a car and exhibited it in the Science Fair organized by the Directorate of Education. He was awarded the first prize for his invention. Identify and explain the two dimensions of business environment discussed in the above case. 4
- 15 State any four differences between Primary market and Secondary Market. 4

OR

Differentiate between Capital Market and Money Market on the basis of :

(a) Liquidity; (b) Duration; (c) Expected Return and (d) Safety

- 16 Gaurav purchased a pack of sweets for his son from a shop in the nearby market. After consuming those sweets, the condition of his son deteriorated and he had to be hospitalized. Later on through a laboratory test, it was certified that the sweets were adulterated. 4
- (a) State any one precaution that Gaurav should have taken while purchasing packed sweets.
- (b) Name the appropriate redressal agency that he can approach in case he decides to file a case against the shopkeeper.
- (c) State any two reliefs available to consumers under the Consumer Protection Act.
- 17 Explain any four advantages of Branding to marketers. 4

OR

Explain any four functions performed by Labelling.

- 18 Ankur is working as a production manager in an organization. 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 in a position to understand the message. Saurabh got disappointed by this. Identify the factor which acts as a communication barrier. Explain three other factors of the same group of communication barrier. 4
- 19 During navratras, Varun finalises a deal to buy a new house. So, he visits a nearby branch of 'Subh Bank' to withdraw Rs.10 lakhs from his account in order to pay the token 4

money to the seller. In the bank he observes that a large number of customers are present to make cash withdrawals, probably because it is an auspicious time to make purchases. After sometime, he overhears one of the bank staff members telling his colleague that the bank was likely to fall short of cash and to make up for the deficit and maintain cash reserve ratio it would have to approach another bank.

(a) Identify the instrument that 'Subh Bank' will use to meet its short term requirements of funds.

(b) State any three features of the instrument identified in part (a).

Section D

- 20 Kapil & Co. is a large manufacturing unit. Recently the company had conducted time and motion studies and concluded that on an average, a worker could produce 300 units per day. However, it has been noticed that the average daily production per worker is in the range of 200-225 units. 5

(a) Name the function of management and identify and explain the steps in the process of this function which helped in finding out that the actual production of a worker is less than the set target.

(b) To complete the process of function identified in (a) and to ensure the performance as per time and motion studies, state the steps a manager has to take.

- 21 Define Management. Discuss any four characteristics of Management. 5

OR

State any five characteristics of Coordination.

- 22 In today's world through social media, news spread in a flash. Moreover, if it is bad news it acquires a speed that is virtually impossible to stop. Hence, all corporates are more susceptible to a tarnished image today than in any other day and age. The loss of goodwill may lead to decreased revenue, loss of clients or suppliers and fall in market share. Over the years, therefore, most of the companies have set up a separate department to manage the public opinions about them. The department works in close coordination with the various interest groups like consumers, government, suppliers etc. and strives to handle effectively if any controversies arise. 5

In the context of the above case:

(a) Identify the element of promotion mix being referred to in the above lines.

(b) Briefly explain any four points highlighting the role of this element of the promotion mix as identified in part (a)

Section E

- 23 What is 'Decentralisation'? Explain its importance to an organization. 6

OR

Define Organising. Explain the steps that emerge in the process of organizing.

- 24 The principles of Taylor and Fayol are mutually complementary. One believed that management should share the gains with the workers while the other suggested that employees' compensation should depend on the earning capacity of the company and should give them a reasonable standard of living. 6
- One believed that management should not close its ears to constructive suggestions made by the employees while the other suggested that a good company should have an employee suggestion system whereby suggestions which result in substantial time or cost reduction should be rewarded.
- Identify and explain two principles each of Taylor and Fayol referred to in the above paragraphs.
- 25 Sunder Lal runs a security service providers agency. Considering that psychological testing is critical for judging the potential of the prospective candidates for a career in law enforcement, he uses various types of psychological tests as part of the selection processes. This is done to ensure the potential new officer is emotionally and psychologically suited to carry out the requirements of the job. 6
- (a) Briefly outline any one more type of test that Sunder Lal may use to assess the potential of the prospective candidate.
- (b) Briefly outline the next five steps involved in the selection process after conducting the assessment tests.

End of the Question Paper